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SAN FRANCISCO
PORT COMMISSION

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OCT - 5 2001

SAN FRANCISCO
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REGULAR MEETING
4:00 P.M., TUESDAY, OCTOBER 9, 2001
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

AGENDA

ASK AT GIC DESK FOR SUPPORTING DOCUMENTS

10-05-01A

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - September 25, 2001 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report
   - Urban Land Institute Award for Pier 1 Historic Preservation Project

4. **PLANNING & DEVELOPMENT**

   A. Request for adoption of amendments to the Waterfront Land Use Plan, including its Design and Access Element, regarding the Fish Alley Area of Fisherman's Wharf, which is generally bounded by Jefferson Street, Jones Street, Hyde Street and the Fisherman's Wharf Lagoon. (Resolution No. 01-77) (Staff report provided to the Commission.)

   B. Request for approval of Extension of Exclusive Negotiations with San Francisco Cruise Terminal LLC for the Bryant Street Pier Project, including the James R. Herman International Cruise Terminal and Mixed Use Development Project, on Piers 30-32 and Seawall Lot 330, located at Bryant Street and The Embarcadero. (Resolution No. 01-78) (Staff report provided to the Commission.)

5. **NEW BUSINESS/PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

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6. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (DISCUSSION ITEMS):

a. Discuss existing litigation matters pursuant to subdivisions (a) and (d) of the California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (5 cases).

- As Plaintiff: CCSF v. Commonwealth Ins. Co. , et al., Santa Clara Superior Court Case No. CV 794046. Action filed October 22, 1999.

- As Defendant: F. Alioto Co. v. CCSF; Superior Court Case No. 318360.

- As Defendant: Bistro Z, LLC vs. CCSF, San Francisco Superior Court Case No. 319566.

- As Defendant: Lolman Enterprises, Inc. et al. v. City and County of San Francisco, et al., City & County of San Francisco Superior Court Case No. 325033.

- As Defendant: CIC Associates, Inc. v. N. John Douglass; Information Network Radio, Inc.; San Francisco Port Commission, et al., S.F. Superior Court Case No. 317532. Action filed December 19, 2000.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Edward B. Vinson

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27-31.

b. Property: Broadway/Embarcadero Hotel
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Stanford Hospitality: Lawrence Lui

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Broadway and the Embarcadero.

c. Property: Pier 70, 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at 1201 Illinois Street, between Humboldt and 23rd Streets.

d. Property: Pier 23
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 23 Café: Flicka McGurrin

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 23.

e. Property: Pier 7
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Waterfront Restaurant: Al Falchi

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 7.

7. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.12.

8. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

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OCTOBER/NOVEMBER 2001
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
October 23	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
November 13	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Person: Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets every second Wednesday of the month from 11:30 a.m. to 1:30 p.m. in the Bayside Conference Room @ Pier 1, except for the meeting in August which would be held on August 1st. Contact Person: Jill Simpson @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Person: Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 4th Monday of the month. Location to be determined. Contact Person: Diane Oshima @ 274-0553.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:

Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:

A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Kevin Jensen, ADA Coordinator, at 274-0555. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance. Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

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SAN FRANCISCO
PORT COMMISSION

SEPTEMBER 25, 2001
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
SEPTEMBER 25, 2001

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:10 p.m. The following Commissioners were present: Kimberly Brandon, Denise McCarthy, Michael Hardeman and Pius Lee. Commissioner McWilliams was not present.

2. NEW BUSINESS/PUBLIC COMMENT

Francisco Da Costa, spoke about the Illinois Bridge drawbridge. He indicated that sufficient due process has not been given involving the constituencies in the area. They provided the Commission several proposals regarding the drawbridge and asked for consideration that the citizens of San Francisco could participate in the deliberation of the drawbridge decision.

Elizabeth Colton, International Museum of Women (IMOW), indicated that San Francisco has an opportunity to build a world-class museum in the waterfront, a museum that would honor women's history and not only look at historic issues but an agent for social change, and a worldwide leader in recognizing and honoring women globally. It is more important than ever to create a facility for people to come together and create a dialogue for people around the world from different communities and ethnic backgrounds to learn about the histories, talk about contemporary issues, create an understanding for people around the world and to ensure that women's voices are heard. They have been working for many years to put together a project and a proposal that is both serious and inspiring. It is a museum that would house both permanent and contemporary exhibits, active educational programs, auditorium for public presentations and performances. It will have a restaurant, shop and a resource center for teachers. This project was founded as a Women's Heritage Museum and as such has many ties to the San Francisco community. They have worked with the African American Historical Society, the Bay Area Network of Latinas, Holocaust Center and a lot of community groups. Most especially, they have worked with local teachers to look at their education system. They have a lot of support that has grown in the San Francisco community, nationally and internationally. They are proud that on August 13, 2001, the Board of Supervisors unanimously voted to support their locating potentially at Pier 26 and asked the Port to look very seriously at that issue.

They have chosen San Francisco because this is an international city for both our visitors as well as the people who live here. It is the City where the U.N. was founded. It is the first City to adopt the principles to sue all the convention and end all discrimination of all women and enforced that adoption. Because of its positioning on the edge of the Pacific Rim so that it could truly be a global community and a global institution that reach out around the world. They think that Pier 26 is a perfect place for this new visionary cultural and educational facility; perfect for them, for the City and for the Port.

They have been working with the architectural firm of EHDD who prepared the drawings. Pier 26 is right under the bay bridge. Pier 26 a historic building which they will honor its history, save it and restore it. The interior of the building is wide open. They would create an exciting museum within that existing space as well. The views from that pier are beautiful and would be accessed and opened up to the entire community. The benefits to the Port and to the City are many. They would provide a safe pier restored to full public views. They would restore the historic shed building. They would increase public access on the pier and create universal access to all the different communities of San Francisco. They will have facilities on the pier that would be open and welcoming to the public at all times. They would also enhance the revenue producing possibility of other sites by drawing crowds year round and fill in that spot along the waterfront which would increase neighborhood safety and activity in the neighborhood. They would provide a program of educational programs and after school programs including teen center and child care center. They have also started working with the community and youth groups to plan this programming so that they are responsive to community needs as well as to the educational needs working with the school system. They will track new visitors who will produce new revenue for the City in terms of sales and parking taxes. They have done a market study which projects about 500,000 people a year will visit this site and generate about $20 million into San Francisco's economy every year. They are also willing to be a demonstration project for energy conservation. They have looked at the possibility of generating their own solar energy. This is the kind of facility that is envisioned by the political and community leaders of San Francisco when they created the Waterfront Plan. It fulfills the goals of the Waterfront Plan to provide access and historic preservation and to be community serving as well as the goals of the public trust. A museum is an accepted use of Pier 26 and is the preferred use. It would fill out the whole range of development opportunities in the area. They uniquely touched many of the constituencies that the Port would want to reach out to not only under-served constituencies in the City, being women, constituencies of District 6 but also an international constituency because this will be the first facility of its kind in the world and would get national and international recognition. They are very ready to move forward with this project.

In partnership with the many respective firms in the community such as Simon, Martin-Vegue, Winkelstein, Moris (SMWM), they have done an initial structural evaluation. They have worked with Scott Lewis on a construction budget and timeline. They are working very closely with EHDD to look at the use of the inside of the building. They are pleased to be working with Kevin Hydes, President of Keen Engineering, who is going to look at sustainable design and energy conservation issues. They have been working with academics and scholars and museum designers around the world on the exhibition concept and are now studying the possibility of a Woman and the Sea exhibit which would tie them closely to their surroundings at the waterfront. They are also looking at the history of the pier itself. They are doing technology planning. They are happy that Dr. Nita Borg from the Institute of Women and Technology along with Anne Balsamo of Xerox Park and many others are working together on a team to help them plan the technology for this museum. They have done a five-year strategic plan and business plan. They are doing their capital campaign readiness with consultants. With very little staff, in the past two years they have raised $750,000 which includes $100,000 from the State whose effort was led by Assemblymember Kevin Shelley. They have built local constituencies which is not only their political and community leaders but the League of Women Voters, the California

Commission on the Status of Women, San Francisco Commission on the Status of Women, Democratic Women's Forum, Telegraph Hill Dwellers. All have formally supported them and they are starting to reach out to groups and to the local neighbors and to meet with them. They have also the support of leaders of many international groups such as UNIFEM, National Association of Negro Business and Professional Women's Club, Women's Edge, International Women's Democracy Center, Planned Parenthood, etc. Last year at the U.N. they co-sponsored a major art exhibit with UNIFEM which brought artists from over 50 countries around the world to look at the progress of the world's women. They are excited about Pier 26, it is the perfect place for them and it promotes all the goals of the Waterfront Plan and of the city both economically, culturally, educationally. They are very excited to work with the Commission and Port staff. She thanked Doug Wong for starting the process to make this vision turn into a reality for San Francisco.

Jim Chapell, President of SPUR, indicated that a couple of years ago, when the proponents of the Women's Museum approached them about possible sites, they suggested to approach the Port. This is the center of the city, the historic and future center of the city. It is the most important place for an institution that will be a world-class facility. This will be extremely successful and it's going to attract millions of people. For many years, it's been their objectives to get the public to the waterfront and this is the kind of facility that will do it. He recommended the IMOW to the Commission.

Gerry Crowley indicated that Telegraph Hill Dwellers support the concept of the IMOW. They are passionate about waterfront planning. They view the proposed museum as the highest form of 21st century cultural enhancement to the waterfront and to the City while at the same time honoring historic preservation. From a neighborhood perspective, they view the museum as an opportunity to showcase women who have contributed in the historical context to the North Beach and Telegraph Hill. Women such as Juana Briones who was an abused mother of 8 who farmed in the North Beach area. She tended to the ills of the sailors who were on the ship. Women such as Elizabeth Ash and Alice Griffith, a nurse and a social worker who founded the Telegraph Hill Neighborhood Center 111 years ago to take care of the social and health needs of the population of the immigrants – Italians, Irish and Mexican. Their legacies continue and they hope that there will be a place of recognition for them at the IMOW. The Telegraph Hill Dwellers also view the museum project as one which will generate considerable revenue and would be self-sustained. Telegraph Hill Dwellers Board of Directors joined the Board of Supervisors in unanimously approving the plan for IMOW. They anticipate following the project closely and hope that the Pier 26 site location process would move forward quickly.

Jane Morrison, San Francisco Tomorrow, indicated that this is a great place for an IMOW and supported the IMOW proposal.

Elmy Bermejo, State Chair of the Commission on the Status of Women, indicated that the Commission voted in support of the IMOW and that it would hopefully be located at Pier 26. The 7-member State Commission was formed in 1965 as a non-partisan agency that works in a culturally inclusive manner promoting quality and justice for all women and girls in California. Historical records in classroom textbooks still do not reflect the accurate picture of women's contributions, especially the contributions made by Latinas, African Americans, Asian Americans and Native American Women to the political, social and economic structure. The IMOW will provide a unique opportunity to celebrate and

record the achievements as well as the struggles of women worldwide. It will provide a learning experience for all who visit, one which could inspire them to action in their own local communities and help build the world of equal opportunity. The Commission on the Status of Women in the State of California is in full support of the IMOW.

Andrea Shorter, Board of Directors for the IMOW and Commission on the Status of Women, indicated that she represents the interest of young women and girls, particularly those that have been engaged in the concept about the museum and what it means to them. They are very dedicated and very involved in making sure that there is a strong educational and accessible educational component for everyone in San Francisco. They are especially excited about the opportunities that this particular project would provide to not only young women but young folks in San Francisco and what it means in terms of their leadership development, their opportunities for the future and looking at learning more not only about women's history but what women could do in the future. She is excited and hopeful about the Port's engagement in this particular project and opportunities that it would not only bring the City but to the Bay Area and certainly as an International Museum of Women to the globe. There are assortments of people that are involved in the process from not only in the academic and business communities but also from the educational community with particular dedication to looking at what this museum can mean to young women. They talked to folks from around San Francisco and from the low-income experiences of our community. You don't have to tell kids what it's going to mean to them because they know. They are leading the way in terms of a vision of what they need and what kind of experiences would enhance their development. It is an absolute delight to not only work with young people but talk to the parents about what this museum would mean to them. She looked forward to working with the Port about this development project.

Nick Mertz, OQO Inc., asked about the public process and how their input regarding the Illinois Street drawbridge would impact the Commission's decision. He was worried about the proximity of the bridge to their front doors. He asked about the schedule of the remaining decisions and permit requirements.

Legal Counsel Neil Sekhri pointed out that this item is on the calendar for discussion. When this item is called, the speakers can engage in public discussion with staff at that time.

Ernestine Weiss commended the parties who initiated the idea of an International Women's Museum. The time has come and it is long overdue. We need to recognize the wonderful things that women have always done and have kept on doing and have made this world a better place. The international women's forum will give young women an opportunity to become involved in politics and to further the beautification of this city and to help make it a better place.

3. EXECUTIVE SESSION

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 4:40 p.m., the Commission withdrew to executive session to discuss the following:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (DISCUSSION ITEMS):

a. Discuss existing litigation matter pursuant to subdivisions (a) and (d) of the California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case).

- As Defendant: CIC Associates, Inc. v. N. John Douglass; Information Network Radio, Inc.; San Francisco Port Commission, et al., S.F. Superior Court Case No. 317532. Action filed December 19, 2000.

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case).

- As Defendant: On January 13, 2001, the Port's drydock facility, known as Drydock #1, was sold by auction to a purchaser. Subsequent to the sale, the purchaser filed a claim, alleging that the Port failed to disclose certain material facts concerning the drydock, and claims damages in excess of $191,000. The Port has denied the claim, but has agreed to submit the matter to non-binding mediation. It appears that the claimant intends to pursue litigation if the dispute is not settled. **THIS ITEM WAS TAKEN OFF CALENDAR.**

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: 1 Ferry Plaza (Gabbiano's)
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*World Trade Club: Conrad Breece

b. Property: Illinois Street at Islais Creek
Person Negotiating: Port: Nita Mizushima, Chief Harbor Engineer
*Catellus Development Corporation: Eric Harrison

c. Property: Pier 30/32 and SWL 330
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

d. Property: Rincon Park Restaurant Site
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Rincon Park Restaurants, LLC: Reed Hearon

e. Property: Pier 70
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*AMB Property, L.P.: Luis Belmonte
*San Francisco Arts Future Consortium (SFAFC): Christopher Meany

f. Property: Pier 70, 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and

Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

g. Property: Pier 26
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Women's International Museum: Elizabeth Colton

h. Property: Pier 96
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Coach USA: Ken Marciano

i. Property: Pier 80 and Pier 92
Person Negotiating: Port: Mark Lozovoy, Asst. Deputy Director, Real Estate
*RMC Pacific Material: Joe Sostaric

j. Property: Pier 38
Person Negotiating: Port: Mark Lozovoy, Asst. Deputy Director, Real Estate
*Pier 38 Maritime Recreation Center: Carl Ernst, Jr.

4. RECONVENE IN OPEN SESSION

At 5:20 p.m., the Commission returned from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

5. APPROVAL OF MINUTES - August 28, 2001 Regular Meeting

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor. The minutes of the August 28, 2001 regular meeting were adopted.

6. EXECUTIVE

A. Executive Director's Report. Mr. Wong reported the following:

- Emergency Planning and Security Debriefing
Port staff is working with the US Coast Guard, US Customs, the San Francisco Police Department, Fire Department and the Office of Emergency Services to make sure that the Port is safe and secure. While business has returned to normal, the Port is still on heightened security alert and certain procedures will be different. The Port Emergency Operations Plan Team has been working very hard with the Mayor's Office of Emergency Services to update and revise our plan. The plan was effectively activated on September 11 and the team, led by the Fire Marshal, Captain Ken Cereghino, and Safety Officer Ed Ochi, did a commendable job. Safety and security will be a priority in the strategic planning process. Karen Clopton is representing the Port in the Citywide Security Policy Task Force that

convenes weekly at the Emergency Services Center. A Portwide meeting is scheduled on September 27 at which time increased security awareness including requiring that photo identification badges be worn and that employees immediately report anything unusual to their supervisors will be addressed.

- San Francisco 2001 Bike Grand Prix
  The San Francisco Grand Prix 2001 was held on September 9th, which featured Tour de France winner, Lance Armstrong, and his U. S. Postal Service Team and an international field of over 120 of the world's best professional cyclists. The 125-mile road race started and finished on the Embarcadero at the end of Market Street, near the Ferry Building and winded through North Beach, along Fisherman's Wharf, and the Marina. An estimated 250,000 spectators viewed the race. The event was televised live on KGO/ABC –TV, with approximately 5 hours of live coverage. The SF Grand Prix is the largest event on the North America racing calendar.

7. REAL ESTATE

A. Request for approval of amendment to Port Lease No. L-8627, dated as of May 8, 1974, with Ferry Plaza Limited Partnership, and Consent to Sublease with World Trade Club of San Francisco (Resolution No. 01-73)

Terry Picon, Director of Real Estate, presented the item and requested Commission's approval.

George Lu, Gabbiano's Restaurant, indicated that they are delighted to enter into a long-term lease with the World Trade Club. With their organization, they could develop a better development. He asked the Commission to approve the lease with the World Trade Club.

James Stark, President of the World Trade Club, urged the Commission's approval of the lease. With the Commission's approval of the lease, it would reconnect the 40-year relationship between the Port and the World Trade Club, a non-profit trade association, for the promotion of international trade and travel. He also pointed out that it restores to the waterfront 70 union jobs with the combined seniority of 760 years. On behalf of the members of the World Trade Club and himself, he thanked the Port Commission and staff for all their help in this transaction.

Jennifer Clary, San Francisco Tomorrow, indicated that Gabbiano's is a public space, where the general public is allowed. The World Trade Club is a private club with 1600 members. She asked if there are any plans to open any part or retain any part of the Gabbiano's building for public access.

Ms. Picon replied that next spring, when the World Trade Club applies for their BCDC permit that public access issue might be brought up by BCDC and becomes a requirement. At this point, there is no requirement by BCDC.

Commissioner Brandon asked if there will be any open space around the building. Mr. Breece replied that the existing BCDC permit requires that there be access to the

exterior of the building. Only members of the World Trade Club, however, are permitted access to the interior of the building.

Tho Do, Secretary/Treasurer of Local 2, spoke on behalf of the union and President Mike Casey. Local 2 has a contract with the World Trade Club and their members are excited to be able to return to work. She urged the Commission to approve the lease.

Commissioner McCarthy commented that one of the Commission's concerns was that the World Trade Club remain at the Port because of its long-history with the Port. They were always hopeful that Gabbiano's would be the right setting for the club and was pleased to see the deal come through.

Commissioner Hardeman commented that he was elated about this transaction. It is extremely important for the Commission to have the World Trade Club stay on Port property. International trade and maritime are important to the Port. He congratulated Mr. Lu and the World Trade Club for reaching an agreement. Commissioners Lee and Brandon congratulated both parties.

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 01-73 was adopted.

B. Request for approval of the re-dedication as a public right-of-way of approximately twenty feet of Seawall Lot 337 located adjacent to Third Street between Terry Francois Boulevard and Mission Rock and approval of a Memorandum of Understanding with the Department of Public Works regarding the right-of-way. (Resolution No. 01-74)

Phil Williamson, Property Manager, deleted the last paragraph of line 8 on page 2 of the staff report starting with the phrase ..."when the Muni improvements are installed and the street is regraded" and replaced it with ... "when development occurs on SWL 337." He presented the item and requested Commission's approval.

Jennifer Clary, San Francisco Tomorrow, indicated that whenever SWL 337 comes up on the agenda, she has to remind the Commission that this is zoned as open space. This is one of the few parts of the waterfront for which the Port does not have a CAC and does not have any public plans. She assumes that in a year, a CAC would tell her how to develop an arena at SWL 337 since it's fixed in her mind as a public park. She asked the Commission to direct staff to start a process for Pier 48 and SWL 337.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 01-74 was adopted.

8. PLANNING & DEVELOPMENT

A. Request for approval of expression of support for State Legislation to enable construction of a new cruise ship terminal development at Pier 30-32 that would include public access, and to provide for the acceleration of the construction of the Brannan Street Wharf Park (Resolution No. 01-75)

Byron Rhett, Director of Planning & Development, presented the item and requested Commission's approval. The legislation was approved in Sacramento and is awaiting the Governor's signature. As part of the review process, the Port committed to making certain improvements and accelerating other improvements. This resolution addresses those commitments. It addresses the concern of general office on the pier and limits general office to 325,000 s.f.; 25,000 s.f. of which would be allowable for no longer than 14 years, converting to trust use at that time or sooner if needed for cruise terminal expansion. It permits limited amount of local serving retail. It addresses the major concern of the South Beach community. The Special Area Plan was approved last summer in conjunction with our Waterfront Plan, the legislation ratifies the SAP and makes it clear that BCDC has design review approval over the cruise terminal and any related mixed-use developments. It also deals with the Brannan Street Wharf which was a commitment made by the Port as part of the SAP related to the cruise terminal. The original date for completion of the Brannan Street Wharf was 20 years after occupancy of the cruise terminal. This legislation accelerates the date to five years after initiation of construction. Through this resolution, the Port commits to the legislature and all the parties that we will honor that commitment. As a by-product of the construction of the wharf, it requires a demolition of Pier 36, which is presently occupied by Delancey Street Foundation. Port staff is also committing to demolish the pier so as not to delay the construction of the Brannan Street Wharf and work with Delancey to find them a new location. Because this process was done quickly, there were some inadvertent errors in the bill. It would be necessary to do some clean-up at a later date and commit to BCDC, State Lands staff, Attorney General's office that we would work with them to clean up those minor errors in the bill.

Mr. Rhett thanked Assemblymember Kevin Shelley who sponsored the AB 1389 with the support of the Mayor's office, Port Commissioners who wrote letters of support and attended the hearings, BCDC, State Lands Commission, the Attorney General's staff, Save the Bay Association and Supervisor Peskin. He also acknowledged and thanked the following Port staff for their contributions: Doug Wong, Noreen Ambrose, Neil Sekhri, John Doll, Kirk Bennett, Peter Dailey, Gerry Roybal, Mike Nerney, Larry Brown, Renee Dunn, Dan Bell, Diane Oshima and others.

Earl Gee, Portside homeowner, spoke on behalf of the Portside Neighborhood Committee. Portside is a condo complex located across the street from the proposed cruise ship terminal and directly facing the seawall lot. They oppose AB 1389, as the legislation allows the project to bypass the State Lands Commission, which insures projects are in compliance with public trust usage. They do not feel that 325,000 s.f. of private office space is consistent with proper maritime use, nor is it in compliancc with public trust usage. It will only increase traffic and congestion at Bryant Strect, an already near-gridlocked entry point to the Bay Bridge during rush hour. They also object to the last-minute nature of the bill, which seemed designed to circumvent hearing public opinion. If this was not its intent, this was the outward appcarancc. Thc first they learned of the bill was when they read it in *The Chronicle*. No timc was allowed for public comment at the local level by people who are directly affectcd by the project. No time was allowed for a proper public hearing before the Asscmbly voted. They hope further actions related to this project will not be conducted in this manner. It is contrary to the spirit of community involvement that will make a

successful project. They hope that the community's opinions will be taken into account.

Eleanor Lindquist, Portside H.O. Association, indicated that it is their understanding that this bill showed itself as a result of the State Lands Commission saying that they could not violate their trust by approving it. They felt that their whole mission is to take care of this trust and they could not give a green light to this process; therefore, it had to go to legislature. They have been working with Lend Lease for quite some time and have promised that they would work with them closely. They supported them when they first bid on the project based on the fact that they would allow community input. On several meetings with them, they walked out quickly out of the meeting and have not given them the opportunity. They don't feel that this is in the right community spirit. As a result, it is not just their community who is upset about this but others as well. People all around town are not happy with the fact that the whole process was bypassed. They had not had opportunity for input. They have a ground swell of 2001 people who are against this legislation. They have some issues such as traffic, gas emissions, etc. They are not against the cruise ship terminal but there are problems and would like them addressed.

Jeffrey Leibovitz, Rincon Point South Beach CAC, commented that he is in full support of AB 1389 and hopes that the Commission approves the resolution. As a member of the Rincon Point South Beach CAC, he and other members met with the State Lands Commission to discuss the trust and non-trust uses. As a member of the committee who drafted the RFP/RFQ, he was insistent that the development maintain some neighborhood serving retail. In their meeting with State Lands, they were told that trust uses were regional uses such as Pier 39 type of use. They were encouraged by State Lands to seek legislation to get the types of uses that would be beneficial to the South Beach community. They then encouraged the Port to seek the legislation necessary to make those types of uses available to their community. Careful reading of the legislation reveals that is the case. They were delighted that the Port staff, at the behest of the State Lands Commission, entered into negotiations for an accelerated completion of the Brannan Street Wharf. Section 5D states that prior to the issuance of a BCDC permit for the cruise terminal development, the Port must demonstrate to the satisfaction of BCDC and the Attorney General's office that it has irrevocably encumbered all the funds deemed necessary for the completion of Brannan Street Wharf and has placed those funds into a segregated account guaranteed to be available and drawn upon for the construction of the Brannan Street wharf. This legislation makes it clear that BCDC has absolute purview over the design and development of this project.

Jennifer Clary, San Francisco Tomorrow, objected to the process taken. It was deeply flawed. It was known that when the developer was chosen that in all likelihood that the project would require special legislation. This version of the bill was introduced on September 7 and passed on September 14. It was nice that there was a bureaucratic process and worked out what the bill was going to be but in essence subverted the public process. The Port needs to recover the reputation which was damaged again by this action and how to avoid doing it again. She recommended that the Commission meet with State Lands. She suggested that the discussions should start sooner and anticipate the conclusion sooner. She asked for a copy of the inadvertent errors that

need to be corrected in the bill. She asked where the $15 million referred to in Section 5H is going to come from. She asked if the Port is anticipating the $2 million annual revenue that is promised in the BCDC Special Area Plan or if the Port is going to use the surplus to fulfill the terms of the agreement. She asked what the Port plans on doing to keep this from happening again.

James Haas, former chair of Rincon Point South Beach CAC, indicated that their 28-member committee representing all the different properties both as residents and owners as well as City organizations such as SPUR have endorsed the cruise terminal and worked with Port staff to move forward. It was apparent to a number of them about the question of general office space. They found State Lands staff supportive of the notion of having a cruise terminal on the San Francisco waterfront but they understood that there had to be an economic generator. The prime economic generator was one that the Attorney General said it couldn't be there. They discussed that issue and made reference to the BCDC policy relating to the historic nature and regional resource. State Lands would support a special legislation declaring a cruise terminal as a unique regional resource. Port staff and the developers worked on the legislation. Whether it was secretive or not, the important thing is the policy has been set and the approvals are still in the hands of all the bodies before the legislature act but there is now a policy which moves this important cruise terminal forward. He indicated that it is frustrating to create processes and involve as many people as possible, when there always seem to be either people who arrived in town recently or have been asleep at the switch, objects to it and act accordingly. He had to fend off a call from Assemblymember Shelley's office regarding 2500 people opposing the cruise terminal. There is widespread support from the community, labor and everyone who has anything to do with the waterfront. He urged the Commission to support this legislation.

Michael Sweet, Vice Chair of RPSB CAC, member of the Brannan Street Wharf CAC, and homeowner in the Portside building, pointed out that the Portside Homeowners Association has taken no position of opposition to the cruise terminal. There are members of the Portside community who live adjacent to the site who have expressed their position. He clarified that the Homeowners Association, which represents 200 homeowners, does not have a position in opposition. He is in the position as Mr. Haas of not knowing where the 2001 or 2500 people opposed comes from. They certainly don't come from Portside. The community is excited about the wharf project. The community is excited about the community based retail and the community he represents understands that Lend Lease has been working and meeting with them and changing their plans based on their input and trust that they will continue to do that. They are satisfied that the safeguards are and have always been in place. When this project moves forward on an accelerated timetable, there wouldn't be the kinds of problems that other speakers have indicated. He, too, attended the meeting with State Lands where they were told that on a personal level they were in support but didn't see it being done without the special legislation.

Commissioner Hardeman commented that people should be patted on the back for getting this bill through. It shows the power that the City has in the State of California. He congratulated everyone involved.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 01-75 was adopted.

B. Informational presentation by The Mills Corporation regarding its proposed Preferred Alternative Project plan of development submitted for the Piers 27-31 Recreation Project located on The Embarcadero between Greenwich and Bay Streets.

Curt Watts, Planning & Development, gave a brief background of the project. Similar presentations will be made to the Waterfront Design Advisory Committee, the Northeast Waterfront Advisory Group and BCDC staff. The first of the presentations took place earlier today before the Waterfront Design Advisory Committee and specific comments from that meeting focused upon such items as the suggested inclusion of a competition size swimming pool, creating an awareness of the facility's physical location on a pier over water, creating a self-identity for the northeast wharf plaza, moving the proposed YMCA building closer to the Embarcadero in alignment with the adjacent bulkhead buildings, utilizing the Pier 29 and 31 arch openings as entrances to the recreation uses. Use of the relocated belt line railroad office building for an expanded historic interpretation use and views from the plaza and transitions within the plaza to its various elevated portions. These comments and those received during the other required presentations would be given due consideration in a subsequent negotiation process during which the Port and Mills will meet, negotiate and seek to complete a development memorandum establishing the basic elements and business terms for the project prior to pursuing required regulatory approvals. Failure to agree upon the terms of the development agreement by the December 12th expiration date of the current exclusive right to negotiate would result in termination of that agreement. Following tonight's presentation, staff is eager to receive any comments from members of the Commission and the general public during the next few weeks as staff prepare for further discussions on the project. Mr. Watts introduced Steve Jacobson of the Mills Corporation to present their alternative proposal for the Piers 27-31 recreation project.

Steve Jacobson, Executive Vice President of the Mills Corporation, thanked the Commission for the opportunity to present the recent proposal of Piers 27-31 project. He has been with the Mills Corporation for 17 years; a registered architect and have been in the business of real estate development of over 25 years. He has corporate responsibilities as well as job specific and will be actively involved in this project through its completion. He introduced Marti Bolsinger, President and CEO of the SF YMCA, Dawn Riley, CEO and founder of America True as well as an accomplished world-class sailor, Michael Willis of Michael Willis Architects who was a design partner for the International Terminal, Cecil Williams, Glide Community Plaza and the Moscone Convention Center, Bill Fain with Johnson Fain Partners, designer of the Rincon Center, Citicorp Center and Mission Bay.

Mr. Jacobson relayed the following message from their Chairman, Mr. Seigel. "In this tough economic times, the Mills Corporation has never been more focused or committed than they are today and that this project, when completed, will be one all of San Francisco would enjoy and be proud of." Mr. Jacobson indicated that 90 days ago, the Commission presented them with 13 challenges but looked at it as opportunities. Over the 90 days, they diligently worked with Port staff and met those

challenges in a very committed and serious way. The Waterfront Land Use Plan is guided by seven goals from providing a working waterfront to economic access which reflects the diversity of San Francisco. This world-class indoor and outdoor recreation center will be second to none. It will provide free public access to the waterfront, which currently does not exist. They have been actively working with Dawn Riley and the YMCA in order to duplicate the concepts of America True so that no matter who you are, all the youths of San Francisco would be able to enjoy the waterfront. He was proud to have the YMCA as their partner. The YMCA has over 150-year history of serving the community and providing affordable recreation. They feel that it is critical to make this recreational project one that San Franciscans can identify with and that is why they have continued to actively pursue local vendors in order to give this project a true homegrown flavor. They will actively pursue tenants so that they could get the best scuba diving shop, the best skateboarding shop and the best windsurfing shop. They feel that the other uses support the other outdoor recreational activities. They have also created a 3,000 s.f. space within the project, which was not part of the initial Mills package. They believe that they need to pay tribute to the working waterfront. They propose to provide approximately 3,000 s.f. in the project rent free for local vendors and historians and curators. They will work with them to create space that not only pays homage to the working waterfront but also provides a space that addresses the whole historic preservation process. They offer to the Port and others to work with them to create this facility in the project so that people understand what everybody's have been as far as preserving this waterfront. The list goes on from tai chi to bocci ball to providing areas for water taxis and berthing for large ships. This world-class recreational facility would certainly be one for all of San Francisco to enjoy. The economic piece is broken into four categories: base rent during and after construction, base rent increases, percentage rent and refinance or sale. They have very aggressively address each one of the issues in the 13 Port conditions. He pointed out that the original proposal states that they would recapture the money for the northeast plaza over a 7-year period; the revised proposal reflects they would do it over a 3-year period. This would mean that the Port will receive an additional $2.8 million over the first seven-year period. He also focused on the significant changes to the square footages. It's almost unprecedented that a project of this size has almost 50% of its space devoted to open public space. He also noted that there were some specific request i.e. reduce office space which they reduce by 20%. They also took it off the lower level and it's all encompassed within the existing historic structures in Piers 29-31. They have also increased indoor and outdoor recreation by approximately 27% at the request of the Port. They also eliminated the artisan's gallery, which is a 100% reduction of 18,000 s.f. Not only did they reduce the restaurants and cafes by 40% but also distributed it throughout the project so it becomes more of an entire dining experience throughout the entire project. They took the Port's condition to heart; they addressed them in a very committed and serious way and they believe that this project is going to be a project that the Commission and San Francisco would be proud of.

Marti Bolsinger, YMCA, thanked the Commission for the opportunity to bring affordable and accessible recreation to all San Franciscans to this wonderful waterfront. She promised that Mills and the YMCA would make the Port very proud of this project. One of the 13 conditions they were required to respond to was the fundraising plan for the YMCA. She assured the Commission that the YMCA is very confident that they will raise the $30 million to open the YMCA. They have hired a

senior consultant who has had the experience just recently of raising $1.4 billion. They are sure that they would be able to do that and the plan calls for the completion of the fundraising to be December 2003, in time to open the facility. In the last 90 days, Mills and the YMCA have responded and designed an extraordinary project that creates an environment where people of all ages, abilities, interests and income levels would have access to the waterfront. There are no membership requirements and all activities are open to everyone. This special place will provide the largest collection of recreational and community offerings available in the Bay Area. Through affordable fees and financial assistance, everyone would be able to participate. Now, more than ever, they have the responsibility to provide those opportunities for everyone.

Dawn Riley, America True, indicated that this is going to be the first full service, fully accessible facility in San Francisco bay. The equipment they are planning on using are kayaks, windsurfers, access dinghies and sonars, etc. The sonars are 22 ft. boats. One can learn how to sail in a comfortable keelboat, they do not tip over. The access dinghies are also stable; they are hard molded, almost indestructible and steered with a joystick so that almost anybody could get into the boat and steer it. Both of these boats are adaptable by able and disabled bodies. They will offer instruction, rental and storage. They will continue to have the kids that need to get out on the water and use these programs so that they would be available to all of the children of San Francisco, whether or not they could afford it. They have taken 600 kids out this summer. This is going to become a facility where they can take those kids and the people of San Francisco can come down and feel that they belong to the waterfront community.

Bill Fain, architect, indicated that they are in a process that would create a world-class facility. It is a very unusual kind of project. It's a project at the heart of the City, at the edge of the waterfront where you could actually touch the water. There are very few cities in the country that have that kind of facility. Critical to the concept in developing this is they enjoin the water with the Embarcadero. They have to bring the water to the Embarcadero. They have elected to take down the 1967 building (Pier 27) to replace it with a building that allows visual access to the water and allows them to create a new view corridor between 27 and 29 which extends all the way out to the water. In the bulkhead building, they have opened up a passageway. In addition, they have introduced a promenade to connect across. It parallels the Embarcadero, connects the transit, the northeast waterfront plaza and a walk through to Embarcadero and the parking at Pier 31. If you're walking along the Embarcadero, you can walk up, go through the YMCA building across the valley, through 29 and to the marine activities and on to the Embarcadero. There is a strong difference between Pier 31 and 29 and 27. Normally, the pier buildings are surrounded on three sides by water. From a planner's perspective, it is a difficult task to integrate it and create a ground plane that extends from pier to pier. They have the opportunity to create a new diagonal. There is a large land mass that allows them to introduce not only indoor but also outdoor activity. The valley becomes important. In the development of the ground plane, they were able to take the recreational uses and spread them throughout the project. With regard to parking, they originally began with a concept of putting all the parking at Pier 31. In working with Port staff, they introduced 40 short-term stalls between Pier 27 and 29. It allows them an opportunity to provide a drop-off area. With regard to the replacement building for Pier 27, they elected to bring back the new finger pier creating a remnant or a similar kind of expression that was originally at Pier 27. They

felt that part of the Port's vocabulary was the issue of bulkhead finger pier. The front of the building in scale and massing would be similar to the bulkhead. They also introduced the idea of a glass pavilion to capture the curve forms. The new building would be a frame, wharf-like character. It would be an industrial kind of nature so it would have a certain harmony with the rest of the buildings. With regard to the northeast waterfront park, BCDC made it clear that the final design of the plaza would in fact be through a public process.

Michael Willis gave a brief rundown of their proposed project.

The following individuals thanked the Commission for the opportunity of having the YMCA on the waterfront: Jim Finkelstein, Harvey Louie Chinatown YMCA, and Jeremy Laskar, YMCA/JCC,

Commissioner Brandon thanked the developer for sharing their new proposal and looked forward to working with them.

9. ENGINEERING & MAINTENANCE

A. Request for authorization to execute the Memorandum of Modifications No. 3 (Mission Bay South Infrastructure Plan) regarding Illinois Street Bridge Option. (Resolution No. 01-76)

Nita Mizushima, Chief Harbor Engineer, presented the item and requested Commission's approval. She emphasized that the execution of this modification does not allow Port staff to move forward with the project. Staff needs to come forward with the proposed project one more time before going forth with the detailed design and construction of the project. The community has expressed concerns with several aspects of the bridge project such as the proximity of the bridge structure to the existing industrial buildings in the area, shoreline improvements and minimizing impacts to the local shoreline parks, alignment or the siting of the bridge, bicycle and pedestrian access, parking in the area and environmental concerns with the added traffic to the location due to noise and emissions. Port staff are meeting with the community and working with the Bayview Hunter's Point group and Supervisor Maxwell's office. Staff has presented the item to the SWAC and gained their support. MCAC has also provided their support. Staff will continue to work with the community before seeking Commission's authorization to move forward with the project.

Legal Counsel Neil Sekhri pointed out that this is Modification No. 4 instead of 3.

David Erickson, Will Spencer Building tenant and facilitator of the Muwekma Ohlone Sanctuary, indicated that everybody in the building have to move out if the bridge is built because there would only be 17 feet of roadway left. They have gencrated alternatives to the current design that would save millions of dollars. Alternative 1 would utilize the Michigan Street as a bridge site location; it has rail and truck routes. Alternative 2, utilizing the existing infrastructure, would be the most economically and environmentally promising alternative to the proposed Illinois Street design. He mentioned that Port staff has a copy of the questions that the community posed and

another set of questions would be forthcoming. He noted that there is only one page in the entire book that addresses environmental issues. They are concerned because the area has a lot of history related to the original inhabitants of San Francisco, the Ohlone Tribe. It also currently supports very significant commercial fishing industry. It is rapidly becoming a public and recreational area for the historically abused Bayview Hunters Point community. As part of their grant work, they had a habitat survey done that shows significant inner-tidal zone population. The SEIR does not address the Illinois Street Bridge and its impact to the habitat.

Michael Sgmabellone, Fabricator & Spencer Building Tenant, felt that this project was slipped under the door. There has been no public process; it came later in the project. The bridge severely limits access to their building; there are no accommodations for large trucks. The negative effects on the park are significant by not having direct access to the park. There are changes to the project that they are now aware of such as extending it to Cargo Way.

Victoria Doggett, La Raccolta Imports, indicated that their office is located where the Islais Creek intersects Illinois Street. Every three months, they have a container that arrives from Italy that is delivered by a MAC truck. After this construction, there will be no space for parking, let alone any deliveries. This would have a detrimental impact on their business.

Peter Jeal, Shannon & Jeal Fabricators, indicated that trucks delives materials everyday. They would never be able to make a turn if the bridge is built. He concurred with David Erickson's comments about rerouting it to the east so their businesses could survive.

Commissioner McCarthy asked about the issue around the trucks and the amount of space. Ms. Mizushima replied that they have been looking at the truck issue specifically. There is an 80-foot right of way dedicated for street use. They have moved it as far to the east of the right of way as possible, which means they take up the eastern most 42 feet of that 80 foot right of way, leaving the remaining space in front of the building plus the 6 foot concrete apron to their building. As far as truck movement in the area, a 35 foot truck takes a 42 foot turning radius. Staff has been looking at whether they would be able to t-bone into the building and whether that would take a couple of turn movements to be able to do that. Staff has also been looking at replacement parking, studying the existing parking in that area and where it will be replaced. These are issues that the community has brought to their attention and staff is looking further into them and will be coming back to the community and to the Commission with the results of their study.

Commissioner McCarthy commented that it sounds like there might be some way to make certain that trucks or the materials could get there. There might be a slight inconvenience but it sounds like it could be accommodated in some way. Ms. Mizushima indicated that they are working with the community to make sure that the solutions they are looking at will address all those issues.

Commissioner McCarthy asked about the schedule and the process and what this resolution constitutes. Ms. Mizushima replied that this resolution puts in place the

framework to be able to accept the additional monies and have a vehicle by which the project could be delivered in an expeditious way. Staff needs to seek Commission's approval before moving forward with the detailed design and construction. The project is in its preliminary design phase where staff is gathering public comments and looking at incorporating them into the project. Within the next few months, staff will come back to the Commission with some answers to the questions that have been posed and asked for the Commission's authorization to elect the option that has been set up under this framework. Once that election is made, the bridge design would move forward. Staff has met with the community once and plan to meet further and meet with the advisory committees. With regard to the issue of access to the park, the Port intends to provide access to the park. The Port intends to provide a path from the intersection of Marin and Illinois to the shoreline. Additionally, there is a pocket park on the west side of the bridge and that access would still be there. Other shoreline improvements have not been finalized. Staff is taking into consideration the comments from the community with that regard. She emphasized that staff has been securing the funding to move this project forward. Staff is also looking at some of the suggestions with regards to regrading in the area and working with the building owners.

Commissioner McCarthy asked about the outreach process. Ms. Mizushima replied that staff has been working with the tenants of the Spencer building.

Diane Oshima added that the outreach is still evolving. Once the EIR was done and staff was in a position of looking at the preliminary design of the bridge, staff brought this to the SWAC. The noticing list is fairly extensive but is not inclusive of every possible property owner in the area. David Erickson has been a regular attendee of the meeting. Staff was able to identify the main cadre of concerned citizens in the area. Staff is working with them and hearing their questions and try to incorporate the changes into the project. In terms of the EIR, the Illinois Bridge was called out as a specific construction project sponsored by the Port analyzed in the Southern Waterfront SEIR. The short paragraph of environmental analysis that was shown was a piece of an engineering report to look at different kinds of bridge design type and it does not satisfy the environmental review requirements that this bridge would require under the CEQA. The analysis is complete; there was a habitat analysis that was included; there were no significant impacts on the long term that were identified but it was clearly acknowledged that the most disruptive period would be during construction. There were a number construction period mitigation measures that were identified in the EIR which staff expects will be supplemented by additional conditions from the RWQB, BCDC and Coast Guard to minimize or avoid those impacts. The permit application process for those regulatory reviews were not yet submitted. Staff is trying to make sure that we have a project before putting the applications together. The Coast Guard application is the big umbrella application from the federal agency review that staff is focusing on. Upon looking at the application, they may find that there is a need for some additional environmental information beyond what the EIR provides. David Erickson's group have received some grant funds to have habitat survey in the area. Staff is anxiously awaiting for a copy of the survey to determine if there is any other habitat of concern that needs to be taken into account in the environmental review.

Commissioner McCarthy asked about the commercial fishing industry. Ms. Mizushima replied that they are referring to the herring season. All of the construction on the waterfront addresses staying out of the herring season window for the construction period.

Commissioner Lee asked about the next meeting of the community. He wanted to make sure that all the tenants are invited to the meeting. He asked about the distance from the face of the building to the bridge. Ms. Mizushima replied that there was a miscommunication regarding the 16 feet distance from the building to the bridge. There is actually 38 feet from the building property line to the face of the retaining wall. The next community meeting has not yet been scheduled. Staff is taking all the input that was provided at the first community meeting and run costs, feasibility before meeting with them. The meeting will take place in the next two weeks. All the interested parties will be notified of the next meeting. Staff is looking at the preliminary design and taking the input from the community. This amendment would allow an additional $1.8 million towards the project. Because Catellus is currently moving forward with their development, they need to get to a point where they would have to remove rail and put it into 16th Street, which they are obligated to do under the current agreement. Staff is trying to capture the money that they would have put into the rail and put it into the bridge where it would benefit more people. If we can't do that, the deadline is December 31st, we lose on the opportunity to be able to do the project and that money will go into putting rail into Mission Bay, a freight rail that would serve Pier 80, and our budget gets reduced. In addition, if we cannot move forward and capture the deadline on the $2.5 million which was 5 years from the execution of the agreement - November 2003, the Port would also lose out on those funds towards the bridge.

Commissioner Brandon thanked Nita and Diane for meeting with the various community groups. She emphasized that this is not the final process as it will need to come back to the Commission for approval. She hoped that some of the issues would be resolved before this item is brought back to the Commission.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 01-76 was adopted.

At 7:20 p.m. the Commission withdrew to executive session to continue their discussions of the executive session items.

10. ADJOURNMENT

Commissioner Hardeman moved approval not to disclose any information discussed in executive session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 9:45 p.m.

PORT OF SAN FRANCISCO

MEMORANDUM

October 4, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Adoption of amendments to the Waterfront Land Use Plan, including its Design and Access Element, regarding the Fish Alley Area of Fisherman's Wharf, which is generally bounded by Jefferson Street, Jones Street, Hyde Street and the Fisherman's Wharf Lagoon.

DIRECTOR'S RECOMMENDATION: ADOPT AMENDMENTS TO THE WATERFRONT LAND USE PLAN

BACKGROUND

In January 1996, Port staff formed the Pier 45 Advisory Group made up of representatives of various constituencies comprising the Fisherman's Wharf community. This advisory group was formed to discuss and resolve operational issues concerning Pier 45 and to provide input and guidance on the long-term uses of Sheds A and C of Pier 45. The Pier 45 Advisory Group built on the work of the Hyde Street Pier/ Pier 45 Citizen's Advisory Group Committee during the late 1980's. On October 14, 1997 (by Resolution No. 97-83), the Port Commission adopted guidelines recommended by the Pier 45 Advisory Group regarding long term uses for Pier 45 Sheds A and C. On June 1, 1999 (by Resolution 99-45), the Port Commission approved a request for proposals for Pier 45 Shed A that incorporated a development concept substantially in conformance with the recommendations of the Pier 45 Advisory Group.

This Print Covers Calendar Item No. **4A**

As reported to the Port Commission at its December 9, 1999 meeting, the role of the Pier 45 Advisory Group was expanded to advising Port staff on other planning issues affecting Port property at Fisherman's Wharf, and the name of the advisory group was changed to the Fisherman's Wharf Waterfront Advisory Group ("Advisory Group"). The next major focus of the Advisory Group was indicated to the Port Commission as being the Fish Alley Area, consisting of Seawall Lots 302 and 303.

The Port's *Waterfront Land Use Plan* adopted in June 1997 ("Waterfront Plan") left significant planning issues regarding the Fish Alley Area unresolved, and, Port staff has sought input and guidance from the Advisory Group in clarifying and resolving these issues. In January 2000, the Advisory Group, which meets monthly, began its review of the following two fundamental issues regarding the Fish Alley Area:

1. Design issues related to the physical appearance and improvements to the Fish Alley Area; and

2. Use issues related to what uses are appropriate for the Fish Alley Area.

Associated issues include: lease issues related to the existing long-term leases in the area; and BCDC issues related to its jurisdiction within the Fish Alley Area.

Design Issues

Port staff first began work with the Advisory Group on design issues. This work included contracting with Architectural Resources Group (ARG) to prepare a draft Fish Alley Study Area Historic Resources Evaluation and Design Recommendations report. ARG concluded that no resources within the Fish Alley Area qualify individually or collectively as an historic district for the National Register of Historic Places, which would qualify them for historic tax credits. ARG also concluded that no resources within the Fish Alley Area qualify individually for the California Register of Historic Places, but that a few structures might be collectively eligible for the California Register as contributors to an historic district comprising only a small portion of the Fish Alley Area.

ARG therefore recommended that the Port consider creating an architectural character district for the Fish Alley Area with recommended design policies as a means to maintain the unique architectural character of the area. This would be accomplished by amending the Design and Access Element of the Waterfront Plan to include these policies.

Use Issues

The Advisory Group observed that, while it supported establishing an Architectural Character District, such a district is intended to address only physical improvements, not the appropriateness of uses. Consequently, Port staff worked with the Advisory Group to define a land use program concurrently with establishing design guidelines for the Architectural Character District. The Advisory Group at its May 15, 2001 meeting thus unanimously approved (with one abstention) the following two motions regarding land uses for the Fish Alley Area:

1. "The Advisory Group recommends that the portion of Seawall Lot 303 north of Fish Alley be maintained for continued use by the fishing industry, including fish processing, fish receiving (unloading), and secondarily for commercial fishing vessel support services."

2. "The Advisory Group requests that Port staff prepare a resolution for the creation of a fishing industry land use designation that would respect the area's existing fishing industry uses and commercial businesses for the entire Fish Alley Area, consisting of Seawall Lots 302 and 303 (bounded by Jefferson Street on the south, Hyde Street on the west, Jones Street on the east and the Fisherman's Wharf Lagoon on the north)."

Port staff prepared a draft of proposed amendments to the Waterfront Plan for the Fish Alley Area, which responded to the above motions. These amendments were prepared taking into consideration the existing Port leases for the Fish Alley Area and the existing BCDC Special Area Plan policies for the Fish Alley Area. A Fish Alley Leasehold and Use Analysis is attached as Exhibit A. The portion of BCDC's San Francisco Waterfront Special Area Plan relating to Fish Alley (whose definition also includes Pier 47) is attached as Exhibit B.

This draft of proposed amendments was presented to the Advisory Group at its June 19, 2001 meeting, and the Advisory Group at its August 21, 2001 meeting overwhelmingly approved the following motions (with one vote against and one abstention):

1. "The Advisory Group recommends approval of the proposed Waterfront Plan amendments for the Fish Alley Area, but recognizes the need for future planning efforts to address the changing conditions at the intersection of Hyde and Jefferson Streets, and provided that the proposed Acceptable Land Use Table is revised as follows: (a) delete Museums from the list of acceptable land uses in Zones B and C; and (b) delete Visitor Services from Zone B and add to Zone C."

2. "The Advisory Group recommends adoption of the findings and recommendations of the Draft Fish Alley Historic Resources Evaluation and Design Recommendation Report [prepared by ARG], including the proposed treatment of the [Fish Alley] Area as an Architectural Character District, as a companion policy to the related proposed amendments to the Waterfront Plan."

ANALYSIS

Port staff recommends resolving design and use issues concerning the Fish Alley Area consistent with the Advisory Group motions.

First, it complies with the Port's public trust mission to promote fisheries as mandated by the Burton Act, and it would help achieve the first Objective in the Waterfront Plan for Fisherman's Wharf: To restore and expand Fisherman's Wharf as a working fishing port.

Second, it would also be in the Port's financial interest as an enterprise agency, protecting and maximizing Port revenues from Fisherman's Wharf as a whole. The function of Fisherman's Wharf as a working fishing port and its related ambience is fundamental to its attracting visitors. Fisherman's Wharf remains the number one tourist attraction in San Francisco, but the share of

visitors to San Francisco who visit Fisherman's Wharf is declining (from 87% in 1989 to 71% in 1998, based upon surveys by the SF Convention and Visitors Bureau). The Port currently receives 27% of its revenues from Fisherman's Wharf, over half of which is in the form of variable percentage rents. As a prudent trustee, the Port should be committed to protecting these revenues by enhancing the appeal of Fisherman's Wharf.

While allowing additional commercial development in Fish Alley might appear in isolation to produce more revenue to the Port, such development would also degrade the authenticity and reduce the appeal of Fisherman's Wharf to visitors, thereby jeopardizing the significant revenues generated for the Port at Fisherman's Wharf as a whole. By instead taking actions that enhance the appeal of Fisherman's Wharf, the Port would be acting to maintain and expand the significant percentage rental revenues that it receives from existing businesses at Fisherman's Wharf. Amending the Waterfront Plan for the Fish Alley Area to create an Architectural Character District and to establish land use designations that respect the area's existing fishing industry and commercial businesses would constitute a very important step in enhancing the authenticity and appeal of Fisherman's Wharf. This would in turn serve to protect and expand the aggregate rental revenues that the Port receives from Fisherman's Wharf.

While the proposed polices will serve to protect the authentic historic character of the Fish Alley Area, these policies recognize that it may not be possible to retain all existing building fabric; for example, where the structure has deteriorated to the point that is not practical to rehabilitate the structure, or where improvements are necessary to meet the needs of the fishing industry.

ENVIRONMENTAL REVIEW

The environmental impacts of the Waterfront Plan and its Design & Access Element were evaluated in the Waterfront Land Use Plan Final EIR, certified in 1998. The proposed amendments to the Waterfront Plan would narrow the range of acceptable uses from those currently allowed in the Plan. Similarly, the proposed amendments to the Design & Access Element, by setting forth design criteria to establish and preserve an Architectural Character District created by existing Fish Alley buildings, would result in fewer changes to the existing setting of the area than currently allowed. As a result, the proposed policy amendments would not generate greater impacts than those analyzed in the Waterfront Land Use Plan Final EIR, and thus do not require any further environmental review under CEQA (the California Environmental Quality Act). Any actual proposals for new development or alteration of Fish Alley buildings would be subject to further, site-specific environmental impact analysis.

RECOMMENDATION

Port staff therefore recommends that the Port Commission adopt the following amendments to the Waterfront Plan:

1. Amend the Fisherman's Wharf Waterfront section of Chapter 4 of the Waterfront Plan as indicated in Exhibit C. The language of this proposed amendment is identical to that recommended by the Advisory Group except for the following clarifications requested by the City Attorney's Office:

a. Fishing Industry Uses are amended to include "marine food preparations", which is included in the permitted use provisions of several maritime/fisheries leases in the Fish Alley Area.

b. The Advisory Group recommended that commercial fishing vessel support facilities, such as repair facilities, be allowed in Zone A. It was recommended that such facilities be accommodated by allowing Ship Repair uses, but this represents too broad of a use category. Such facilities are better addressed in the proposed amendments by broadening the definition of Fishing Industry uses to include "fishing vessel support and repair facilities."

2. Amend the Design & Access element of the Waterfront Plan as indicated in Exhibit D.

Prepared by: Kirk Bennett
Manager, Waterfront Development Projects

I:\Kirk\ Agenda Packages\Fish Alley Area WLUP Amendments.doc

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-77

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, The Port Commission adopted the Waterfront Land Use Plan ("WLUP") and its Waterfront Design & Access Element ("WDEA") on June 24, 1997, the product of an intensive, seven-year public planning process; and

WHEREAS, With an overall goal of reuniting the City with the waterfront, the WLUP calls for preparing design guidelines for Port property that further define the character of development on the waterfront, including the Fish Alley Area (which is comprised of Seawall Lots 302 and 303); and

WHEREAS, Pursuant to the Burton Act, the Port Commission is the trustee for the public trust lands within Port jurisdiction that are held in trust for the benefit of the people of California and are to be used to promote the public's interest in water dependent uses including fisheries; and

WHEREAS, The first objective of the WLUP for the Fisherman's Wharf Waterfront is to restore and expand Fisherman's Wharf as a working fishing port; and

WHEREAS, The WLUP did not identify with specificity the appropriate mix of fishing industry related and commercial uses within the Fish Alley Area; and

WHEREAS, In January 2000, Port staff commenced a planning process with the Fisherman's Wharf Waterfront Advisory Group ("Advisory Group") to resolve use and design issues for the Fish Alley Area, and to formulate recommendations to the Port Commission concerning amendments to the WLUP and its WDAE for the Fish Alley Area; and

WHEREAS, With input from the Advisory Group, Architectural Resources Group prepared a Fish Ally Study Area Historic Resources Evaluation and Design Recommendations report, which recommended that the Port consider creating an Architectural Character District for the Fish Alley Area, with recommended design policies as a means to maintain the unique architectural character of the area; and

WHEREAS, The Advisory Group, at its August 21, 2001 meeting, recommended that the Port Commission amend the WLUP substantially as indicated in Exhibit C attached hereto and its WDAE as indicated in Exhibit D attached hereto; and

WHEREAS, Port staff concurs with the recommended amendments except for the clarifications indicated in the memorandum accompanying this agenda item and submits these amendments to the Port Commission for its consideration and action; and

WHEREAS, on January 9, 1997, the City Planning Commission certified the Final Environmental Impact Report ("FEIR") for the WLUP and its WDAE that included preparing design guidelines for the waterfront; and

WHEREAS, The proposed amendments narrow the range of acceptable uses and building changes from those currently allowed and analyzed in the FEIR; therefore, now be it

RESOLVED, That the Port Commission has considered the information in the FEIR and, based thereon and on the findings above, the Port Commission hereby finds that: (1) the WLUP amendments are within the scope of the project analyzed in the FEIR and do not raise any important new issues about the significant effects on the environment not previously considered in the FEIR; (2) no changes are proposed or have occurred in the WLUP analyzed in the FEIR that would require major revisions to the FEIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; (3) no substantial changes have occurred with respect to the circumstances under which the amendments are being adopted that would require major revisions to the FEIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; (4) no new information of substantial importance has become available; no modification to the project has occurred that would require important revisions to the FEIR, and no substantial changes have occurred with respect to the circumstances under which the project is undertaken since the Planning Commission certified the FEIR, and therefore, there is not a need to prepare an addendum or supplement the FEIR or re-circulate the FEIR; and be it further

RESOLVED That the Port Commission hereby adopts the amendments to the WLUP as indicted in Exhibit C attached hereto, and be it further

RESOLVED That the Port Commission hereby adopts the amendments to the WDAE of the WLUP as indicted in Exhibit D attached hereto, and be it further

RESOLVED That the Port Commission hereby authorizes the Executive Director or his designee to make such minor technical or non-material changes to the WLUP and its WDAE, in consultation with the City Attorney, as he deems appropriate to implement the intent of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 9, 2001.

_____

Secretary

EXHIBIT A
FISH ALLEY AREA LEASEHOLD AND USE ANALYSIS

TENANT	LEASE NO.	SIZE	COMMENCEMENT DATE	TERMINATION DATE	PERMITTED USES	CHARACTER PROVISION *
LONG TERM MARITIME (FISHERIES) LEASES (EXPIRING 2036)						
ALIOTO FISH CO., LTD	L-9171	15,820	01-Apr-75	30-Apr-36	Wholesale fish processing, fish storage and marine food preparations, and other such uses as are reasonably related thereto.	Yes
CALIFORNIA SHELLFISH CO.	L-8988	1,714	01-Apr-75	30-Apr-36	Wholesale fish processing, fish storage and marine food preparations, and other such uses as are reasonably related thereto.	Yes
CALIFORNIA SHELLFISH CO.	L-8987	4,885	01-Apr-75	30-Apr-36	Wholesale fish processing, fish storage and marine food preparations, and other such uses as are reasonably related thereto.	Yes
CALIFORNIA SHELLFISH CO.	L-9172	3,875	01-Apr-75	30-Apr-36	Wholesale fish processing, fish storage and marine food preparations, and other such uses as are reasonably related thereto.	Yes
COAST MARINE & INDUSTRIAL	L-9184	20,915	01-Jan-76	30-Apr-36	A retail and wholesale sales outlet for marine equipment and industrial supply, ship chandlery, clothing and nautical gifts, sales, service and repair of marine electronic, navigational instruments, safety equipment and related items to service all classes of marine craft, of the nature existing as of the date of execution of the lease and such other uses as are reasonably related thereto.	Yes
ALIOTO LAZIO FISH COMPANY (F. Alioto Fish Company)	L-8989	4,434	01-May-75	30-Apr-36	Wholesale fish processing, fish storage and marine food preparations, and other such uses as are reasonably related thereto.	Yes

TENANT	LEASE NO.	SIZE	COMMENCEMENT DATE	TERMINATION DATE	PERMITTED USES	CHARACTER PROVISION *
ALIOTO LAZIO FISH COMPANY (F. Alioto Fish Company)	L-8990	9,025	01-May-75	30-Apr-36	Wholesale fish processing, fish storage and marine food preparations, and other such uses as are reasonably related thereto.	Yes
FRANK'S FISHERMAN'S SUPPLIES	L-9179	3,309	01-Apr-76	30-Apr-36	A commercial fishing equipment and supply wholesale, non-wholesale and retail sales outlet, a marine insurance office, a fishing and marine equipment repair service of the nature existing as of the execution of the lease, and other uses as are reasonably related thereto.	Yes
FRANK'S FISHERMAN'S SUPPLIES	L-9206	4,874	01-Apr-78	30-Apr-36	A commercial fishing equipment and supply wholesale, non-wholesale and retail sales outlet, a marine insurance office, a fishing and marine equipment repair service of the nature existing as of the execution of the lease and other uses as are reasonably related thereto	Yes
ARTHUR N. HOPPEE, d.ba. FLAGSHIP	L-8992	9,881	16-Apr-96	30-Apr-36	A retail and wholesale sales outlet for yacht and ship's chandlery, clothing and nautical gifts, sales, service and repair of marine electronics, navigational instruments, safety equipment and related items to service all classes of marine craft, of the nature existing as of the date of execution of the lease and such other uses as are reasonably related thereto.	Yes
SCOMA'S RESTAURANT INC.	L-9170	339	01-Mar-95	30-Apr-36	Wholesale fish processing, fish storage and marine food preparations, and other such uses as are reasonably related thereto.	Yes
SCOMA'S RESTAURANT INC.	L-9174	2,310	01-Mar-95	30-Apr-36	Wholesale fish processing, fish storage and marine food preparations, and other such uses as are reasonably related thereto.	Yes
SCOMA'S RESTAURANT INC.	L-9175	4,466	01-Mar-95	30-Apr-36	Wholesale fish processing, fish storage and marine food preparations, other such uses as are reasonably	Yes

TENANT	LEASE NO.	SIZE	COMMENCEMENT DATE	TERMINATION DATE	PERMITTED USES	CHARACTER PROVISION *
					related thereto, and bait and tackle retail business.	
LONG TERM COMMERCIAL LEASES (EXPIRING 2036)						
CASTAGNOLA'S RESTAURANT	L-7493	9,107	01-May-70	30-Apr-36	A restaurant of a kind and class presently on the Premises, and other uses reasonably related and auxiliary thereto.	Yes
FRANCESCHI CORPORATION	L-8993	2,972	01-May-75	30-Apr-36	A restaurant of the kind and class existing as of the date of execution of the lease and such other uses as are reasonably related thereto.	Yes
POMPEI ENTERPRISES CORPORATION	L-8986	4,140	01-Apr-75	20-Apr-36	A first class seafood and Italian restaurant and bar, and other such uses as are reasonably related thereto.	Yes
SFO FORECAST INC., d.b.a. CIOPPINO'S	L-9781	7,430	01-Apr-75	20-Apr-36	A seafood and Italian restaurant and bar, including bakery and coffer products and including both full service and casual dining restaurant uses, and retail sale of wine and food and ancillary products, and other such other uses as are reasonably related thereto.	Yes
SHORT TERM MARITIME (FISHERIES) LEASES (UNDER 10 YEARS)						
CRAB BOAT OWNERS ASSOCIATION	L-12169	1,137	01-Sep-96	31-Aug-06	Office and storage and meeting hall for meetings involving the fishing industry	
G.P. RESOURCES	L-11748	2,241	17-Dec-92	M/M	Marine fuel sales and distribution.	
MARTELL INSURANCE CO.	L-12038	712	01-Jan-95	M/M	Insurance broker's office.	
S.P. TARANTINO INSURANCE	L-11929	3,176	01-Jan-95	M/M	Insurance broker's office.	
SHORT TERM COMMERCIAL LEASES (UNDER 10 YEARS)						

TENANT	LEASE NO.	SIZE	COMMENCEMENT DATE	TERMINATION DATE	PERMITTED USES	CHARACTER PROVISION *
CASTAGNOLA'S RESTAURANT	10154	1,753	01-Sep-78	M/M	Storage, office and parking.	
CORY GALLERIES, INC.	L-8984	2,039	01-May-75	30-Apr-05	Display, sale and/or rental of art objects, and other uses and activities as are reasonably related thereto.	
D & G COMPANY d.b.a. LOU'S PIER 47 RESTAURANT	L-9798	2,120	01-Jan-98	31-Jan-07	A restaurant of the kind and class existing as of the date of execution of the lease and such other uses as are reasonably related thereto, and sales of sport fishing excursions.	Yes
FRANCESCHI CORPORATION	11013	739	01-Oct-85	M/M	Expansion of adjacent restaurant operation (L-8993).	
FRANCESCHI CORPORATION	031	462	01-Apr-97	M/M	Dumpster storage.	
ARTHUR N.HOPPEE	L-12398	532	05-Feb-97	M/M	Retail sales of chandlery, clothing, gifts, and souvenir merchandise in conjunction with adjacent chandlery store (L-8992).	

* Character Provision: "Section 7(f) The parties agree that the atmosphere and character of Fisherman's Wharf, its commercial fishermen, its fish processors, and fishing oriented businesses are a unique asset to San Francisco resulting in a major tourist attraction. Accordingly, TENANT agrees to conduct its business henceforth in a manner to preserve and enhance the present fishing-industry oriented uses at the Wharf."

EXHIBIT B

BCDC SAN FRANCISCO SPECIAL AREA PLAN, JULY 20,2000

Fish Alley (Wharves 47, J-1 through J-10, Seawall Lots 302 and 303)

Permitted Uses on New or Replacement Fill (Subject to Policies):

REPLACEMENT OF EXISTING BAY-ORIENTED COMMERCIAL RECREATION
BREAKWATER
BERTHING AND DOCKING FACILITIES FOR COMMERCIAL FISHING BOATS
PUBLIC ACCESS
MARITIME

Policies:

1. Fish Alley facilities should be improved and expanded to serve the commercial fishing fleet and to maintain and enhance the area as a center for commercial fishing uses. Improved berthing, docking, and related activities for commercial fishing boats, including necessary sanitation facilities, should be permitted.

2. No new fill or replacement fill for Bay-oriented commercial recreation or Bay-oriented public assembly should be permitted unless it is to replace an existing Bay-oriented commercial recreation use that has been involuntarily destroyed.

3. A breakwater between the Hyde Street Pier and Pier 45 should be permitted if a breakwater will: (a) protect commercial fishing boats moored in Fish Alley from damage caused by wave action, and (b) significantly enhance the Fish Alley area as center for commercial fishing activities.

EXHIBIT C

PROPOSED AMENDMENTS TO WATERFRONT LAND USE PLAN ("WLUP")

FISH ALLEY AREA OF FISHERMAN'S WHARF WATERFRONT

The Subarea Plan for the Fisherman's Wharf Waterfront in Chapter 4 of the WLUP is to be amended as in this Exhibit C.

NOTE: Deletions from WLUP indicated by ~~strikeouts~~, and additions to WLUP indicated by underlines.

Page 87 Change first sentence of the first paragraph as follows:

"Fishing industry operations currently take place at the Fish Alley Area (consisting of Seawall Lots 302 and 303), Piers 47, 49 and 45 (west side) and the Inner and Outer Lagoons."

Page 89 Delete the last paragraph of the second objective as follows:

~~"Fish Alley buildings may be in less demand for fish handling and related business now that modern fish handling facilities are available on Pier 45. Nevertheless, there remains a strong interest in preserving the character and charm of Fish Alley. It is therefore appropriate to allow adaptive new uses of current fish processing facilities until there is sufficient fishing industry demand for these facilities. Interim uses would ensure that this historic area remains active and inviting at all times. However, any adaptive reuses should not encourage heavy traffic, and should not involve extensive remodeling because major investments for new uses tend to encourage permanency."~~

Page 94 Change Fisherman's Wharf Waterfront Acceptable Land Use Table to delete the rows entitled "Fish Alley (Seawall Lot 303)" and "Seawall Lot 302", and add rows entitled: "Fish Alley Area – Zone A," "Fish Alley Area – Zone B," and "Fish Alley Area – Zone C." Indicate the uses indicated in following table as Acceptable Land Uses for each of the respective zones.

ADDITIONS TO
FISHERMAN'S WHARF WATERFRONT
ACCEPTABLE LAND USE TABLE

FISH ALLEY AREA – ZONE A	Community Facilities Fishing Industry including marine food preparations and fishing vessel support and repair Public Access Retail limited to sale of fish only
FISH ALLEY AREA – ZONE B	Uses allowed in Zone A, plus: Parking as Accessory Use Maritime Office Maritime Support Services Retail limited to sale of maritime related goods and services Warehousing/Storage
FISH ALLEY AREA – ZONE C	Uses allowed in Zones A and B, plus: Artists/Designers Assembly and Entertainment Retail limited to restaurants and other eating and drinking establishments Visitor Services

NOTES:

1. *Use categories defined in WLUP.*

2. *The following use categories which are currently indicated as Acceptable Uses for the Fish Alley Area in the WLUP are not included above as Acceptable Uses: Ferry and Excursion Boats; Historic Ships; Water Taxis; and General Office. (It is important to note that WLUP identifies Maritime Uses that are best suited for an area. The Port Commission retains authority to use Port sites for any Maritime Use.)*

Page 95 Change the Fisherman's Wharf Subarea Map to delete designation of the Fish Alley Area as a Mixed Use Opportunity Area.

Page 96 Change the first sentence as follows:

"The Fisherman's Wharf Mixed Use Opportunity Area includes ~~Seawall Lot 302, Fish Alley (Seawall Lot 303,~~ Pier 49, Pier 47, Pier 45 - east side, Pier 43½, and the Triangle (Seawall Lot 301)."

Page 98 Change the Development Standards for "Fish Alley" as follows:

"Fish Alley Area

- Preserve the existing balance between fishing and commercial uses. ~~to the maximum feasible extent.~~

- Preserve the small-scale maritime industrial character of Fish Alley by retaining the older buildings to the extent possible consistent with continuing fishing industry operations, and adapting them to the needs of and use by modern fishing-related businesses. In the event a building cannot be retained, then any replacement buildings must be consistent with the Waterfront Design and Access Element and the historic maritime industrial character of the area. *[NOTE: To be amended to include design guidelines recommended by Architectural Resources Group.]*

- In the ~~interior block of~~ Fish Alley Area, continue to give priority to fish handling, processing and distribution; restaurants and bars oriented towards the fishing industry, businesses and citizens in the area; chandleries; other businesses serving the fishing industry; and support services for the proposed Hyde Street Harbor.

- ~~If fishing industry uses are not needed, then interim, adaptive reuse of Fish Alley buildings for uses oriented to other maritime activities (including warehousing/storage for maritime industries), support facilities for the historic Hyde Street Pier, artist or designer studios or galleries, museums, or visitor-serving Wharf activities, should be considered, provided that they do not disrupt the remaining fishing industry uses and that they retain the architectural character of Fish Alley.~~

- ~~Allow interim adaptive new uses only if they do not involve major capital investment (which tends to encourage longevity) and do not permanently prevent reuse of the structures for fish handling when the industry experiences an upswing.~~

- ~~Restrict any artist or designer studios or galleries in Fish Alley's interior block to "working artists" or other craftspersons whose activities would be observable by the public, particularly those related to a maritime theme such as a wooden boat building center~~

- ~~Allow a broader range of visitor-oriented artists (artist studios open to the public), and art galleries, maritime-related museums, and other compatible uses on Jefferson Street than in Fish Alley, provided that they preserve the architectural character of the area, serve the needs of visitors and San Franciscans and are compatible with adjacent retail and fishing industry uses.~~

- ~~Explore the feasibility of~~ Create a direct connection between the Hyde Street ~~Pier~~ Harbor and Fish Alley.

- Operate and manage activities to ensure compliance with all applicable environmental and water quality laws and regulations. Coordinate

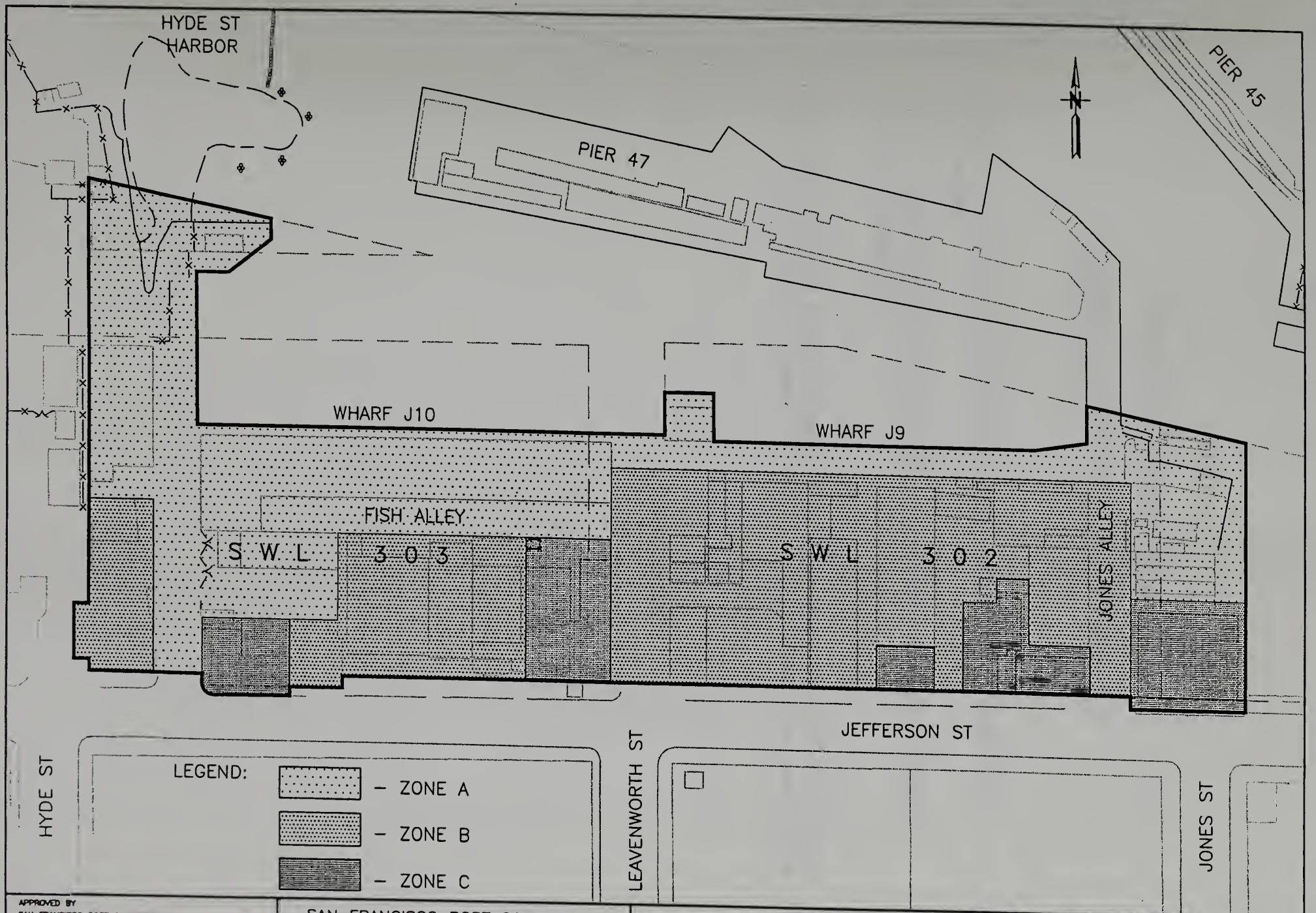
compliance efforts to improve water quality with the Fisherman's Wharf Environmental Quality Advisory Committee."

Page 100 Change the third title under Development Standards as follows:

"~~Proposed~~ Hyde Street Harbor"

Page 100 Change the last Development Standard for Hyde Street Harbor as follows:

- ~~Explore the feasibility of~~ Create a direct connection between the Hyde Street ~~Pier~~ Harbor and Fish Alley.



APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE

CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

FISH ALLEY AREA (SWLS 302 & 303)
ACCEPTABLE LAND USE MAP

DRAWN BY: ECC	DATE: AUG 23, 2001
CHECKED BY: KB	SCALE: NONE
DRAWING NO.	SHEET NO. 1

EXHIBIT D

PROPOSED AMENDMENTS TO

DESIGN & ACCESS ELEMENT OF WLUP

- Page of 45 of the Design & Access Element is to be amended as indicated on the following page.

  Note: Deletions from Design & Access Element indicated by ~~strikeouts~~ and additions indicated by underlines.

- Page 66 of the Design & Access Element ("Fisherman's Wharf - Design Criteria, Seawall Lots 303 and 302") is to be deleted and is to be replaced with the two new pages attached

Preservation to The Secretary of the Interior's Standards

Preserve, rehabilitate and adaptively reuse the following resources consistent with The Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings (Secretary's Standards): The Ferry Building, Agriculture Building, Beltline Roundhouse, and Fireboat House, Bulkhead Buildings and Connectors at Piers 1-5, Pier 1 shed, Bulkhead Buildings and Pier sheds at Piers 45 and 48. Pier 45 was upgraded and seismically retrofit in 1995, seismic retrofit of Pier 48 was completed in 1998, and renovation of the Ferry Building, a top priority of the Waterfront Plan, will be complete in late 2002.

Next Step: Ensure preservation efforts for these buildings are consistent with the Secretary's Standards.

Bulkhead Buildings

Retain and reuse the historic bulkhead buildings at Piers 9, 15, 17, 19, 23, 29, 31, 33, 35, 26, 28, and 38, the Ferry Arch, and the Neoclassical connector buildings (Piers 29 ½ and 33 ½).

Next Step: Develop criteria for rehabilitation and reuse of these resources, identifying some or all for preservation consistent with the Secretary's Standards, and providing interim protection from alterations inconsistent with the Secretary's Standards until these criteria are adopted.

Piers and Pier Sheds, ~~Fishing Industry Buildings~~

Further evaluate the historic piers and pier sheds, ~~and specific Fisherman's Wharf buildings associated with the early fishing industry,~~ including analysis of the potential for rehabilitation, adaptive reuse, and economic development.

Next Step: Further evaluate pier sheds on Piers 1, 9, 15, 19, 23, 31, 33, 26, 28, 38~~, and specific Fisherman's Wharf buildings associated with the early fishing industry (the fishhandling building on the north side of Fish Alley, shed buildings at 2909, 2915, 2921 Jones Lane between Jefferson Street and Pier 47,~~ and Fisherman's Grotto No. 9 at 2851 Taylor Street), considering historic significance, architectural features, relationship to other resources, economic development, City pattern, structural condition, financial feasibility and compatibility of reuse with maritime activities, views, and public access, and with other goals of the Waterfront Land Use Plan, to develop recommendations for preservation, reuse and/or replacement. Consider these recommendations in the formulation of development proposals.

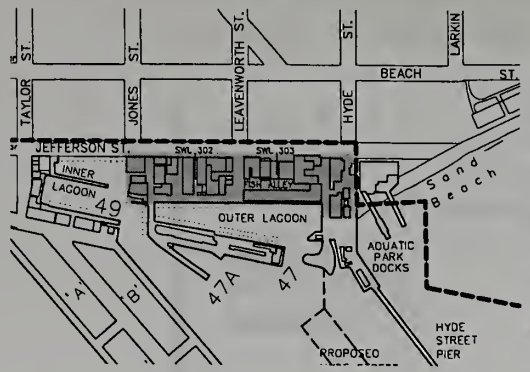
Fish Alley Area

Recognize the Fish Alley area as an Architectural Character District with area specific design criteria as described on pages 76 and 77. These design criteria are based upon the Secretary's Standards including that the original fabric be retained whenever possible and that the new fabric be designed to be compatible, but not replicate historic building integrity.

Next Step: Follow the design criteria on pages 76 and 77 for the implementation of incremental improvements in the Fish Alley area.

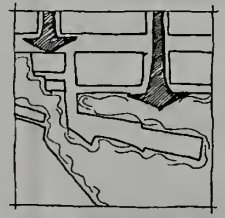
Design Criteria

SEAWALL LOTS 302 & 303 *(Fish Alley Area)*



The Fish Alley area is an eclectic mix of small-scale structures built to serve the fishing industry. Some of the buildings remain in use by the industry while others along Jefferson Street have converted to retail or restaurant uses. The following design criteria were developed in recognition of the area's unique character, and incorporate the Secretary of the Interior's Standards for Rehabilitation. The Standards state that original building fabric be retained whenever possible, and that new changes be designed to be compatible with, but not replicate historic building features. Before commencing improvements within this area please also consult the Fish Alley Area Historic Resources Evaluation and Design Recommendations, available at the Port's offices, and the Standards in Appendix B of this document.

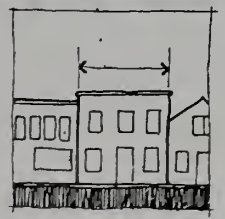
Scale



VIEWS: View corridors down Jones and Leavenworth Streets should be maintained by discouraging new development along these two streets within Fish Alley.

VIEWS: Existing views can be maintained by limiting the height of new development within Fish Alley to two stories.

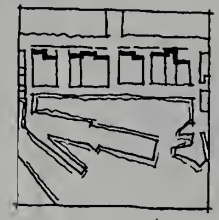
MASSING: Articulate the massing of new development and additions so that they respect the building widths, heights, and simple massing and detailing of Fish Alley's existing buildings.



MASSING: The footprint of new development and additions to existing buildings along Jefferson Street should extend the width of the lot with no side setbacks so that the continuity of the street facade wall is maintained.

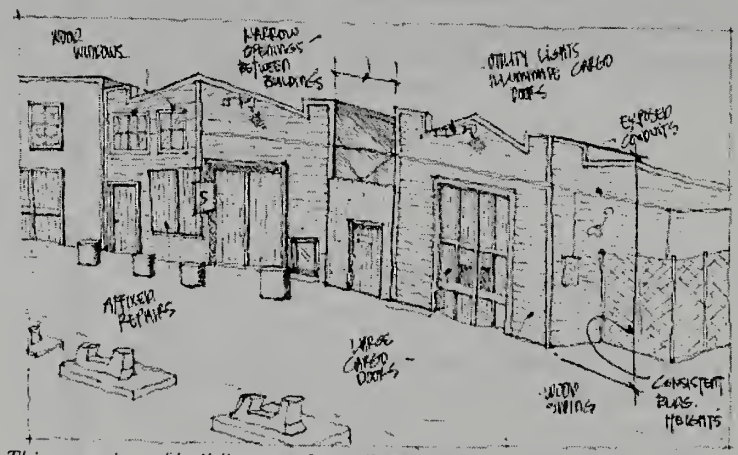
Scale

SCALE: Appreciate the scale that the typical building heights of neighboring buildings contribute to the character of the streetscape by holding new development to two stories or less.



SITE COVERAGE: The front setbacks of new development along Jefferson Street should vary slightly in keeping with the existing architectural street pattern.

SITE COVERAGE: The placement of infill development on the interior of the Fish Alley Area should not encroach on the boundaries of the narrow alleyways, and should serve to enhance the delineation of the edges.



This grouping of buildings on Jones Street contain many of the architectural details that define the industrial, maritime character of Fish Alley.

Design Criteria

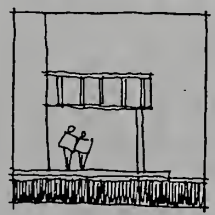
SEAWALL LOTS 302 & 303

-- Continued from previous page --

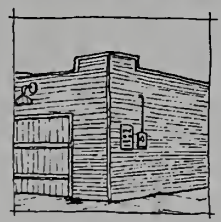
Architectural Details

ARTICULATION: Opening patterns should be designed to communicate a human scale to pedestrians by articulating floor levels, or through glazing divisions.

ARTICULATION: New development or additions should respect existing patterns and proportions of alternating openings and solidity of walls.



CHARACTER -- Jefferson Street: Along Jefferson Street, avoid blank ground floor walls by providing views into the ground floor of buildings. Allow awnings or arcades to extend commercial building activities onto and over the sidewalk areas.



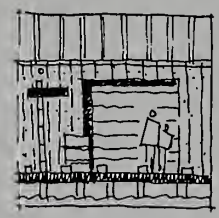
CHARACTER: Maintain the horizontal orientation of existing patterns throughout Fish Alley by aligning the horizontal elements of new development and additions with those of existing buildings.

Architectural Details

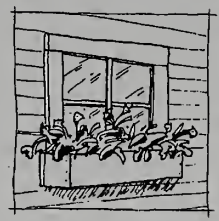
MATERIALS: Varying building materials between existing buildings and additions is encouraged to visually distinguish new from old.

MATERIALS: New development and additions should be constructed with simple, industrial materials that typify those found throughout Fish Alley.

SIGNAGE: New signage within the Fish Alley Study area should be kept simple and small scaled. The design of new signage should be in keeping with the historic signs of Fish Alley. Painted wood signs hung off the buildings or painted directly on the buildings are encouraged. Neon signs are not appropriate for the Fish Alley Area.

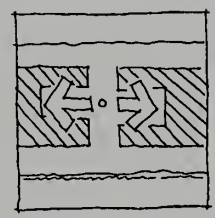


SITE FURNISHINGS: Site furnishings and landscaping should be kept minimal and simple, and should reflect the industrial and maritime character of the Fish Alley Area.



LANDSCAPING: New landscaping within the Fish Alley Study area should be limited to small scaled plantings in planter boxes, and should not include street trees.

Service



SERVICE: Provide service access from interior alleys or north/south streets if feasible.

TRASH ENCLOSURES: Use fences or other lockable enclosures to screen trash facilities from public view, and incorporate appropriate water quality protective measures to comply with all water quality environmental laws and regulations.

PORT OF SAN FRANCISCO

MEMORANDUM

October 3, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Extension of Exclusive Negotiations with San Francisco Cruise Terminal LLC for the Bryant Street Pier Project, including the James R. Herman International Cruise Terminal and Mixed Use Development Project, on Piers 30-32 and Seawall Lot 330, located at Bryant Street and The Embarcadero

DIRECTOR'S RECOMMENDATION: APPROVE EXTENSION OF EXCLUSIVE RIGHT TO NEGOTIATE WITH SAN FRANCISCO CRUISE TERMINAL LLC

BACKGROUND

On May 25, 1999, the Port Commission approved Resolution No. 99-36, authorizing Port staff to issue a Request for Qualifications/Proposals for the design and development of the Bryant Street Pier Project, including the James R. Herman Cruise Terminal, on Pier 30-32 and Seawall Lot 330 (the project).

On January 11, 2000, after an extensive review and evaluation of qualifications and proposals received, the Port Commission approved Resolution No. 00-03, authorizing Port staff to enter into exclusive negotiations with San Francisco Cruise Terminal LLC (SFCT) for the project. The Port and the Developer signed an Exclusive Right to Negotiate (exclusive right) on January 25, 2000. The exclusive right provided for an initial 9-month period of exclusive negotiations lasting until October 24, 2000. The exclusive right allowed two additional option periods of 6 months each. Both of the options were exercised and the term of the exclusive right is slated to expire on October 25, 2001. On July 29, SFCT sent a letter to the Port requesting an amendment to the exclusive right, which would allow an additional 18 months of exclusive rights.

This Print Covers Calendar Item No. **4B**

As originally proposed, the project included a two berth cruise terminal, commercial retail, office, parking and open space on Pier 30-32 and a 400 room hotel and 111 time share units on Seawall Lot 330. SFCT has diligently pursued its investigations to determine project programming and feasibility. SFCT has conducted market research into various aspects of the project, undertook physical and engineering investigations of the pier and the seawall lot, and worked to address concerns about the cruise terminal operations.

In the course of these investigations, SFCT determined that the cost of seismically retrofitting the pier was significantly higher than originally anticipated. To offset this increased retrofit cost, SFCT proposed increasing the amount of office space and proposed residential condominiums as an alternative to the hotel and time-share units. The Port and SFCT conducted a series of outreach meetings with the community, regulatory and user groups to receive input into the evolving project land use and design program. At the Port Commission meeting on February 13, 2001, the Developer gave an informational presentation on the cruise terminal operations and marketing plan and received comments from the Port Commission and members of the public. On March 13, 2001, SFCT presented information to the Port Commission regarding a proposed land use and design program.

Significant progress was made in May 2001 by the Port and SFCT regarding critical maritime elements of the cruise terminal project. Biweekly meetings were conducted that month between Port maritime staff and the SFCT. Major topics included terminal capacity, federal inspection services, passenger bridges, traffic, and security. On June 6, 2001, the attached document was issued outlining the status of key maritime issues (Exhibit A).

SFCT has pursued regulatory approvals for the project, including environmental review. SFCT started the Supplemental EIR process in December 2000 and was originally scheduled to have been completed this fall. However, the finalization of the environmental review has been delayed by the ongoing discussions with the State Lands Commission staff. The environmental review process is now scheduled to be completed by the end of the year.

Since August 2000, Port staff and SFCT have worked with the staffs of State Lands Commission (SLC) and Bay Conservation and Development Commission (BCDC) to address the public trust issues raised by the inclusion of general office and local retail uses, such as grocery, theater uses, and neighborhood serving retail. After a year of discussion, SLC staff informed the Port and SFCT on August 14, 2001 that authorization of such uses would require action by the State Legislature.

Both the Port and SFCT collaborated with representatives from the SLC, Attorney General's Office, BCDC and other interested groups to craft legislation which defined the amount of allowable office space (300,000 of leasable square feet, with an additional 25,000 square feet for a period of 14 years thereby converting to trust use or earlier if needed for cruise terminal expansion) and the amount of neighborhood-serving retail space. Among other provisions, the bill stipulates that prior to the issuance of a BCDC permit for the project the Port demonstrates to BCDC and to the Attorney General's satisfaction that it has irrevocably encumbered all the funds necessary for the completion of the Brannan Street Wharf and

placed the funds into a segregated account for Brannan Street Wharf construction. The Port must complete the northern portion of the Brannan Street Wharf contemporaneously with the project construction and complete the southern portion (including removal of Pier 36) no later than five years after commencement of the project. The Port is also obligated to actively assist Delancey Street Foundation, the Pier 36 tenant, in finding suitable alternative space for their operations in a timely manner.

AB 1389 was introduced by Assembly Member Kevin Shelley and passed both the full Senate and Assembly on September 14, 2001. The bill awaits signature by the Governor.

The Port Commission was to have considered endorsement of AB 1389 on September 11, 2001. Because of the events in New York, Washington D.C. and Pennsylvania, this agenda item was postponed to September 25, 2001. On that date, the Port adopted Resolution 01-75 and endorsed AB 1389. If AB 1389 is signed by the Governor, it will not commit the Port Commission to approving the project or its use program, but enables the project to continue forward since it provides clarity to the use program.

Since clarification of the use program took over a year to resolve, this has put a delay in the overall project schedule (i.e., determination of financial feasibility, submission of design plans, completion of environmental review, etc.). Therefore, SFCT requests an additional term of exclusive rights to accomplish these items and complete negotiations with the Port leading to the Port Commission's consideration of Lease Disposition and Development Agreement and Ground Lease.

RECOMMENDATION

As noted above, SFCT has requested an 18-month extension. Staff acknowledges that this time frame may be necessary to perform all necessary tasks, but recommends that SFCT should be able to perform specified tasks within a 9-month extension period. Staff therefore recommends that the Port Commission approve an initial 9-month extension to the exclusive right. Furthermore, staff recommends that the Port Commission waive an extension fee for this 9-month extension and meet the following performance benchmarks:

- No later than November 15, 2001, SFCT shall prepare and submit to Port a revised schedule for obtaining all regulatory approvals, and update and submit to Port such schedule subsequently as needed or requested;

- No later than April 30, 2002, SFCT shall submit and present to Port, and present to BCDC staff and the Rincon Point-South Beach Community Advisory Committee, a detailed development program and schematic drawings for Piers 30-32 consistent with the requirements of the public trust and AB 1389, including but not limited to floor plans, elevations, and renderings;

- No later than June 30, 2002, SFCT shall submit and present to Port, and present to the Rincon Point- South Beach Community Advisory Committee, a detailed development program and schematic drawings for Seawall Lot 330, including but not limited to floor

plans, elevations, and renderings, that is either a) consistent with the requirements of the public trust or b) assumes State action lifting the public trust from the Seawall Lot, which action must be agreed to in principle by the State Lands Commission staff and the Port Commission in its sole and absolute discretion;

- No later than July 15, 2002, Port staff and SFCT shall finalize a Term Sheet that establishes the proposed project for purposes of regulatory review and lease negotiations, and addresses all financial and lease terms;

Prior to July 25, 2002, SFCT may request a further extension in order to complete the regulatory process and obtain all required approvals. If the above benchmarks are achieved, the Port Commission shall grant a 9-month extension provided that SFCT agrees to: 1) additional performance benchmarks during the extension; and 2) pay an extension fee of $25,000 (unless waived by the Port Commission). If SFCT fails to meet the performance benchmarks, Port Commission may agree, in its sole and absolute discretion, to extend the 9-month extension or such term as the Port Commission so determines. In this case, SFCT will pay an extension fee of $25,000 (unless waived by the Port Commission).

In summary, due to the complexity of the Bryant Street Pier Project and regulatory process, Port staff recommends that the Port Commission approve the extension of the exclusive right with the conditions discussed above.

Prepared by: John Doll
Development Project Coordinator

I:\jjd\\Lend Lease extension.doc

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-78

WHEREAS, Charter Section B3.581 grants to the Port Commission the authority and duty to use, conduct, operate, maintain, manage, regulate, and control the lands within the Port jurisdiction; and

WHEREAS, under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, on June 4, 1999, the Port issued a RFQ/P to design and develop a first-class "James R. Herman International Cruise Terminal" and mixed-use development at Piers 30-32 and Seawall Lot 330 (together, the "Bryant Street Pier Project'); and

WHEREAS, on September 3, 1999, Port staff issued the Request for Proposals ("RFP") for the Bryant Street Pier Project; and

WHEREAS, the Port Commission reviewed and evaluated the respondents and their responses and determined that San Francisco Cruise Terminal LLC ("SFCT") best meets the qualification requirements for design and development of the Bryant Street Pier Project; and

WHEREAS, the Port and SFCT executed an Exclusive Right to Negotiate agreement on January 25, 2000 for a period of nine months, with two six-month extension options; and

WHEREAS, on October 25, 2000, SFCT exercised the first extension option period, and on April 25, 2001 SFCT exercised the second extension option period; and

WHEREAS, on September 25, 2001, the Port Commission endorsed AB 1389; and

WHEREAS, SFCT. has diligently undertaken development plans and sought environmental review in accordance with the Exclusive Right to Negotiate agreement, but due to the complexity of the Bryant Street Pier Project and regulatory approval process has requested an extension to the Exclusive Right to Negotiate, now therefore, be it

RESOLVED, that the Port Commission hereby authorizes the Executive Director of the Port to enter into an amendment to the Exclusive Right to Negotiate agreement on the general terms set forth in the September 25, 2001 Memorandum to the Port Commission, including:

a) extension of the exclusive negotiating period to July 24, 2002;
b) satisfaction of certain performance benchmark tasks to be accomplished on or before July 24, 2002;
c) prior to July 25, 2002, SFCT may request an additional 9-month extension. If the performance benchmarks are achieved, the Port Commission shall grant the extension request provided that SFCT agrees to additional performance benchmarks and pays a $25,000 extension fee unless waived. If SFCT fails to meet performance benchmarks, the Port Commission may agree, in its sole and absolute discretion, to extend the term of the exclusive right for 9-months or such term as the Port Commission so determines provided that SFCT agrees to additional performance benchmarks and pays an extension fee of $25,000 unless waived; and be it further

RESOLVED, that the Port will not enter into a final Lease Disposition and Development Agreement for the Bryant Street Pier Project which would allow for its development until there has been complete compliance with the California Environmental Quality Act (CEQA).

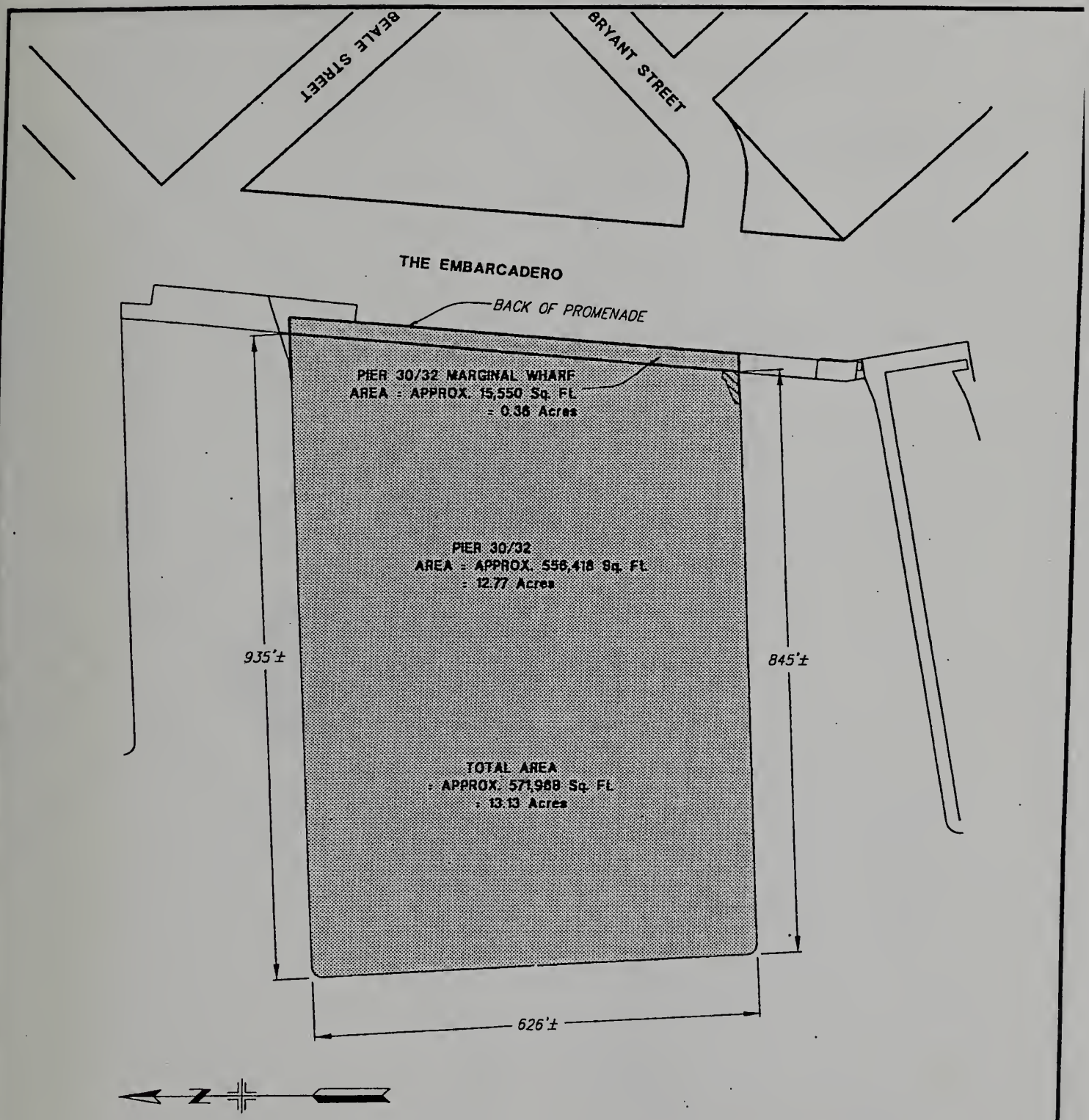
I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 9, 2001.

_____
Secretary

ISSUES RESOLVED WITH PORT OF SAN FRANCISCO AS AT 6 JUNE 2001

		ISSUES AGREED	FOLLOW-UP ACTIONS
1.0	**TERMINAL CAPACITY**		
1.1	Size of ships	1x 2,000 pax + 1x 3,000 pax	
1.2	Baggage allowance	3 bags/pax	
1.3	Wharf apron	50 feet all round	
1.4	Baggage Claim Hall at Level-1	28,571 sqf. (including 12,500 sqf for passenger circulation and 16,071 sqf. for racks with 4 ft aisle)	Schematic to be further developed with architect and to increase area to 30,000 sqf if possible.
2.0	**MODUS OPERANDI**		
2.1	Security Perimeter	50ft wharf apron, arrival hall on level-1 and passenger walkway on seaward side of level-2 shall be cordoned and closed to the public on cruise day.	Concept to be further developed with FIS agencies and architect.
2.2	Use of 3-tier Baggage System	Yes	Concept to be further developed with Cruise Lines and stevedore.
2.3	Use of airport type baggage push trolleys	Yes	Concept to be further developed with stevedore.
2.4	Airport style Immigration and Customs clearance	Yes	Concept to be further developed with FIS agencies.
2.5	Passenger debarkation	Staged : 4 x 1,250 pax each	Concept to be further developed with Cruise Lines and inbound operators.
2.6	Baggage Claim	Staged : 2 x 7,500 bags each	Concept to be further developed with Cruise Lines and stevedore.
2.7	Linkbridge	Automated for tidal adjustment and ADA compliance	Design and number to be further developed with Engineers and Port Staff.
3.0	**TRAFFIC**		
3.1	Supply Trucks	On wharf before passenger / baggage disembark.	Concept to be further developed with FIS agencies, stevedore and teamster.
3.2	Supply Vehicles Ingress / Egress	Ingress at Red Java Gate Egress at North or East Gate	Concept to be further developed with traffic consultant.
3.4	Wharf Circulation	2-way all round with hard shoulder for trucks unloading.	Concept to be further developed with traffic consultant and teamster.

		CONCURRED AS AT JUNE 2001	FOLLOW-UP ACTIONS
3.5	Bus Bays	On site saw-tooth or parallel parking on terminal side and opposite island.	Concept to be further developed with traffic consultant, architect and bus operators.
3.6	Taxi Bays	Queue on opposite island with pick-up/drop-off on driver side.	Concept to be further developed with traffic consultant, architect and taxi commission.
3.7	Car Park	250 on site for short term usage. Ingress/Egress on Embarcadero. Restricted Egress onto pier on cruise days.	Concept to be further developed with traffic consultant and architect.
3.8	Lay By	Create lay by along Embarcadero similar to that at Pier 1	Concept to be further developed with traffic consultant and architect.
4.0	**General**		
4.1	Further Actions and Schematic Design	All follow-up actions and schematic Design for the project will commence after the State Land issues are resolved.	SFCT, Architect and State Land Commission.
4.2	Operating Agreement	The roles for Port staff and area for participation in the operations of the cruise terminal will be developed as part of the LDDA and leasing negotiations with PSF.	SFCT & PSF



PORT OF SAN FRANCISCO **SAN FRANCISCO PORT COMMISSION** **DEPARTMENT OF ENGINEERING**	**EXHIBIT 1** **SITE PLAN - PIER 30-32**	IN CHARGE OF: ED BYRNE DRAWN BY: AMN DATA FILES: XX DRAWING NO. BS_MUOA.dwg DATE: 26 MAY 99 SCALE: 1 = 150' NO. 1 OF 1

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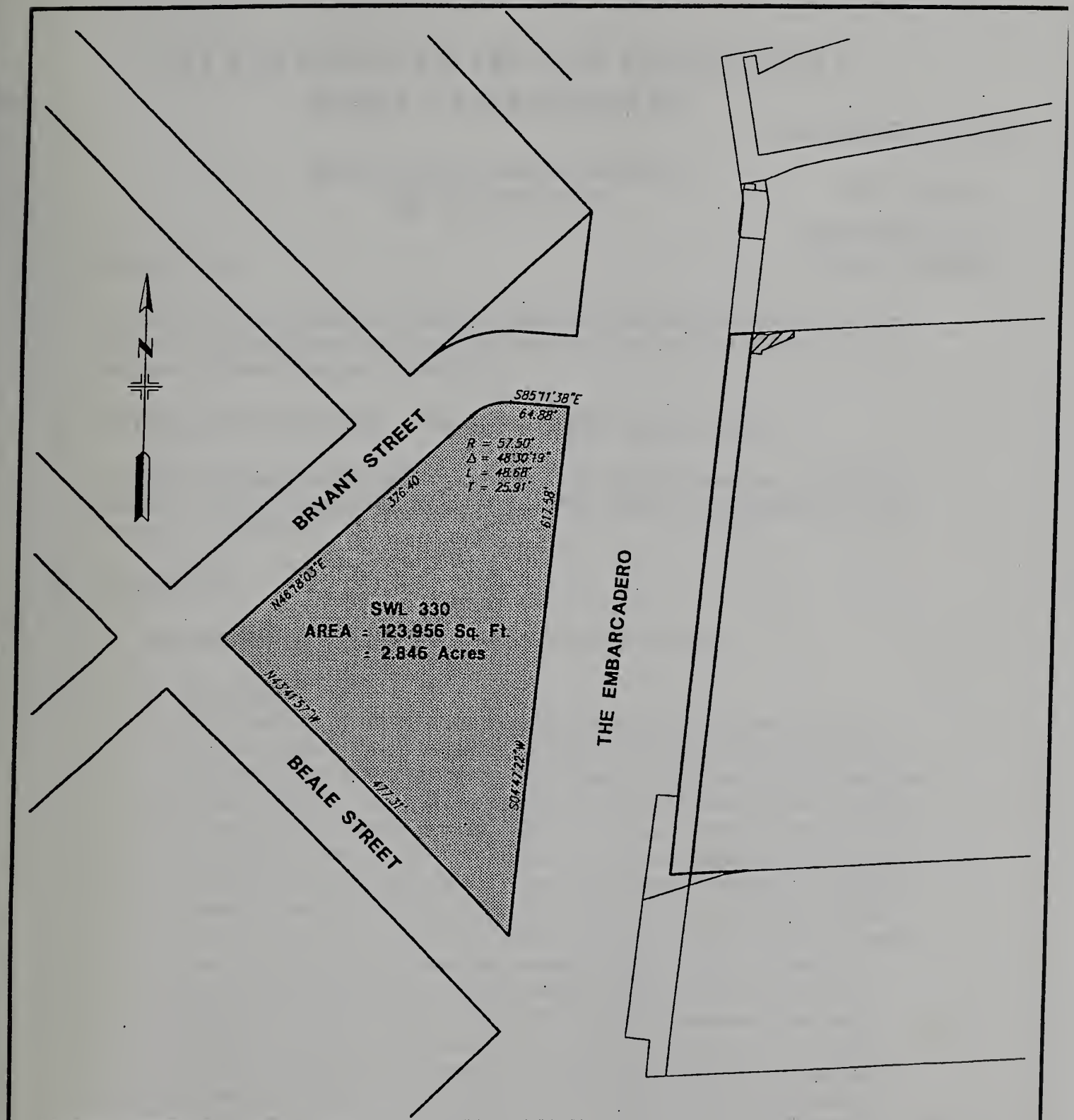

PORT OF SAN FRANCISCO SAN FRANCISCO PORT COMMISSION DEPARTMENT OF ENGINEERING	EXHIBIT 1 SITE PLAN - SWL 330	IN CHARGE OF: ED BYRNE DRAWN BY: AMN DATA FILES: XX DRAWING NO. BS_MUOA.dwg DATE: 26 MAY 99 SCALE: 1 = 150' NO. 1 OF 1

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CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

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MINUTES OF THE MEETING
OCTOBER 9, 2001

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:05 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee.

2 APPROVAL OF MINUTES - September 25, 2001 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor. The minutes of the September 25, 2001 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported the following:

- AB 1389.
  Last Thursday, BCDC strongly endorsed AB 1389. On that same day, the Governor signed the bill into law. AB 1389 is important to the Port such that it provides clarity of the use program on the piers. This allows the developer, Lend Lease, to refine its numbers and design, and provides a starting point of eventual negotiations between Lend Lease and the Port. Specifically, AB 1389 allows 300,000 of leasable square feet of office space with an additional 25,000 s.f. for a period of 14 years at which point it must be converted to trust use, or earlier if needed for the cruise terminal expansion. The new law also allows a limited amount of neighborhood-serving retail space which will serve the South Beach area and surrounding communities. Among other provisions, the law will accelerate the Brannan Street Wharf, another amenity to the South Beach community and San Francisco residents. With this commitment, the Port is obliged to encumber funds necessary to complete the Brannan Street Wharf within the following time frame: (1) construct the northern portion during the construction of the Cruise Terminal project and (2) remove Pier 36 and the southern portion of the wharf five years after starting the construction of the Cruise Terminal. This new law represents another major step forward for the development of the James R. Herman International Cruise Terminal and Mixed Use Project.

- South Ferry Terminal.
  Thanks to a lot of hard work by our team of Port construction management staff

and consultants, the contractor Miller Thompson, Port maintenance and maritime staff, the new South Ferry Terminal (adjacent to Sinbad's) was opened on October 3. Service at this new location began at 6:30 a.m. This location will serve the east bay (Alameda and Oakland). The North Terminal open some time near the New Year.

- Urban Land Institute Award for Pier 1 Historic Preservation Project.
  Mr. Kirk Bennett mentioned that at the ULI's convention last week, the Pier 1 project was honored with the ULI 2001 Award for Excellence. He accepted the award, on behalf of the Port. Luis Belmonte accepted the award on behalf of AMB. Each year, the ULI Award for Excellence honor the outstanding development projects throughout the world. It is the most prestigious award for development project. The ULI Award is sought after in the development industry. The awards jury evaluate projects in several categories and visit each of the finalists. The ULI Award recognizes the full development process of projects using three fundamental criteria: (1) architectural and design; (2) financial viability of the project; and (3) the social benefits. It must demonstrate relevance to the contemporary and future needs of the community in which it is located. Mr. Bennett showed the Commission a replica of the award. The larger scale model will be presented formally by ULI to the Port. This award is significant in that Pier 1 is the first project implementing the Port's vision within the Waterfront Land Use Plan to preserve its precious historic maritime resources while revitalizing and reconnecting them to the City. The ULI Award recognizes this vision for the San Francisco waterfront.

4. PLANNING & DEVELOPMENT

A. Request for adoption of amendments to the Waterfront Land Use Plan, including its Design and Access Element, regarding the Fish Alley Area of Fisherman's Wharf, which is generally bounded by Jefferson Street, Jones Street, Hyde Street and the Fisherman's Wharf Lagoon. (Resolution No. 01-77)

Mr. Kirk Bennett, Assistant Deputy Director for Planning & Development presented the item and requested Commission's approval. This item is a culmination of a long public process reaching community agreement on the future vision and plan for the fish alley area. The Waterfront Land Use Plan (WLUP) was adopted in 1997 after a 7-year consensus building process. That plan did leave specific fundamental design and use issues unresolved regarding fish alley. Two years ago, Port staff commenced a community based planning process with the Fisherman's Wharf Waterfront Advisory Group (FWWAG). Based on the input given by the FWWAG through this planning process, Port staff formulated amendments to the Waterfront Land Use Plan concerning the fish alley for consideration and adoption by the Commission. The specific recommendations were included in the staff report to the Commission. The recommendations fall into two categories. Regarding land uses, it recommended amending the WLUP to create a hierarchy of land uses respecting and protecting all of the existing businesses and leases in the Fisherman's Wharf while preserving and enhancing the fishing industry uses. Regarding design, it recommended amendments to the WLUP's Waterfront Design and Access Element established in the fish alley area as an architectural character district with specific design criteria. The fish alley

area is where the fishing industry began in Fisherman's Wharf. The fundamental effects of this amendment is to preserve the unique historic character of the fish alley area, maintaining the architectural character and the vibrant mix of fishing and commercial uses which are treasured by San Franciscans and visitors alike. He asked for Commission's adoption of the amendments to the WLUP. These amendments carry out the Port's public trust mission to promote fishing and it also helps to achieve the first objective of the WLUP for Fisherman's Wharf which is to restore and expand the wharf as a working and fishing port. These amendments also will protect and maximize the Port's revenues for Fisherman's Wharf as a whole. The Port receives 27% of its revenues from Fisherman's Wharf, a half of which is from variable percentage rent. The share of visitors to San Francisco going to Fisherman's Wharf has been declining. Recently, there has been a precipitous drop in the revenues from Fisherman's Wharf. Fisherman's Wharf originally attracted visitors due to its charm and authenticity of the fishing industry. It became a world wide tourist destination. Fisherman's Wharf continuing to function as a working fishing harbor with its related ambience is fundamental to Fisherman's Wharf continuing to attract visitors. Amending the WLUP as recommended is a very important step in protecting and enhancing the fishing industry and enhancing the appeal of Fisherman's Wharf to San Franciscans and visitors to San Francisco. This in turn would serve to protect and expand the aggregate rental revenue the Port receives from Fisherman's Wharf. He noted that these proposed amendments do not create a historic district, either as a national, state or as a local district. It establishes an architectural character district which incorporates a design criteria administered by the Port. It does not add an additional bureaucratic process. It provides clear guidelines for the Port. While the policy serves to protect the historic authentic character of the fish alley area, it's also practical. It recognizes that it may not be possible to retain all existing building fabric and allows some flexibility.

Commissioner McWilliams commented that in reading the package there was an underlying theme that the most important part of the amendment is supporting or enhancing the percentage rent for the Fisherman's Wharf. Although he was in support of the amendment, in his mind, there was no relation between that and supporting the fishing industry and our obligation to the trust. The most important thing is creating and supporting the fish industry. What's being done at Pier 45 is a good step towards accommodating the needs of the industry but it will not fulfill the future or the expanded needs of the industry. He was concerned that ARG concluded that no resources within the Fish Alley area qualify individually or collectively for the historic district criteria and yet the Port is being asked to conform to the Secretary of Interior's standard related to historic buildings. There seems to be a conflict. If an opportunity arises to support the fishing industry but it cannot be accommodated within those criteria, the Port will lose that opportunity. He wanted to ensure that we meet our public trust obligations and not hinder it.

Mr. Bennett replied that staff completely agrees with the premise that our first mission is to promote the public trust which includes promoting the fisheries. The most important reason to approve these amendments is to ensure that spaces are available in the fish alley area for the future needs of the fishing industry and to ensure that they have not been converted to other uses. In promoting the fishing industry, we are fortunate that financially, the Fisherman's Wharf area also helps fulfill our overall

trust. Part of the Burton Act that was established was to carry out the fisheries trust and established the fact that the Port is an enterprise agency and it needs to raise money from its properties to carry out its mission. Promoting the fish industry is also promoting the reason why visitors come to Fisherman's Wharf. Fisherman's Wharf is unique. There are a few places where you can have two very distinct industries being symbiotic. He agreed with Commissioner McWilliams assessment to make sure that the fishing industry is protected for its future needs.

With regard to historic district, staff contracted with Architectural Resources Group (ARG) to prepare a draft Fish Alley Study Area Historic Resources Evaluation and Design Recommendations report. ARG concluded that no resources within the Fish Alley Area qualify individually or collectively as an historic district for the National Register of Historic Places, which would qualify them for historic tax credits. ARG also concluded that no resources within the Fish Alley Area qualify individually for the California Register of Historic Places, but that a few structures might be collectively eligible for the California Register as contributors to an historic district comprising only a small portion of the Fish Alley Area. ARG therefore recommended that the Port consider creating an architectural character district for the Fish Alley Area with recommended design policies as a means to maintain the unique architectural character of the area.

The Advisory Group wanted to ensure that the Port not only maintains the appearance of the area but to ensure that the uses were included. There was a consensus with the group to maintain the mix of uses and allow for future expansion of fisheries and apply the Secretary of Interior 's standards to this area which would allow for demolition and change the fabric if necessary but it sets some general standards to follow. In no way does the process preclude new buildings. As part of the analysis, they looked at designing a building to meet the design standards that could also satisfy the needs of a modern fish processing facility. In the future, if there is a need for fish processing in fish alley, an existing building could be renovated to meet the needs of the fish industry as long as it does not exceed the height, certain characteristics cannot infringe on the street and the use of industrial materials, all of which could be incorporated into new additions or new buildings if necessary for the fishing industry.

Commissioner McWilliams commented that it does not make sense to adopt the Secretary of Interior's standard guidelines for rehabilitating the historic buildings because the buildings are not historic.

Legal Counsel Noreen Ambrose indicated that this issue was addressed specifically in the staff report. The policy with regard to the fish alley states that the original fabric should be retained whenever possible and a new fabric be designed to be compatible but not replicate. She reiterated that the staff report contains a language which states that while these policies are meant to protect the authentic historic character of the fish alley area, these policies recognize that it may not be possible to retain all existing building fabric; for example, where the structure has deteriorated to the point that it is not practical to rehabilitate the structure or where improvements are necessary to meet the needs of the fishing industry. This would clarify the intent of the language that is before the Commission that as projects come back before the Commission for its determination, consistent with the Port's policy, the Commission has the discretion to

allow buildings and facilities that may not fit into the current historic character but are necessary to accommodate the fishing industry.

Commissioner McWilliams asked for the definition of maritime office, referred to in page 2 of Exhibit C. Quoting from the Waterfront Land Use Plan, Mr. Bennett replied that maritime office is defined as an administrative and business functions for any maritime industry including but not limited to import/export businesses, legal and professional businesses as constituting a maritime as opposed to general purpose offices.

Commissioner McWilliams asked for clarification of the last sentence on page 4 of Exhibit C. Mr. Bennett replied that the original language included exploring the feasibility of creating a direct connection to the Hyde Street because when the WLUP was written, Hyde Street Harbor did not exist. There was no way to get forklifts from the Hyde Street Pier to the fish alley. The idea of creating a connection was a very important component of running a fishing harbor. It also acknowledges the fact that the connection would be for the public and other people to move through the alley. It would allow the public to observe the fishing activities without impinging on the fishing activities.

Tom Creedon, chair of the Fisherman's Wharf Advisory Group, indicated that it is important to the people of Fisherman's Wharf to maintain the attractiveness of the wharf and still support the fishing industry. They like the attractiveness of some of the corrugated metal buildings. With the exception of one tenant, who is in litigation with the Port, the vote was unanimous on this item. He urged the Commission to approve the amendment.

Al Baccari, member of the Advisory Committee and Executive Secretary of the Fisherman's Wharf Association, acknowledged Commissioner McWilliams' comments and questions. He also gave a brief background of the fish alley area. He commended and applauded the Port Commission, Director and staff for having the vision. The Fisherman's Wharf area now has a new harbor, a breakwater, 11 acres of Pier 45, the inner and outer lagoons and acres dedicated to the fishing industry. This amendment does not affect anything legal. It defines a character, predicated upon preserving the imagery for the fishing industry. If for some reason in the future, those in the fishing industry couldn't stay, the Port has the opportunity to make alternative decisions and designs. He hoped that before building anything on the pier, the Port repairs the J-10 pier as it would become a logical link.. He applauded the Commission for their vision of taking this geographical area and maintaining it as a fishing industry.

Commissioner McCarthy thanked the committee for their hard work and getting consensus for the project. She also thanked Kirk Bennett for his efforts. She asked for clarification of the letter sent to the Commission regarding the lawsuit by Lazio-Alioto. Legal Counsel Ambrose indicated that the letter was from the law offices of Angela Alioto to Don Margolis, City Attorney, brought by F. Alioto Fish Company. They reserve the right to bring a court action to get a restraining order against the Port to stop the Port from acting on its legal rights under the lease to require the reconstruction of the facility or the reletting of the facility. Somehow the

Commission's vote on the Fish Alley plan is implicated in the lawsuit. As pointed out in their letter, a motion for a preliminary injunction was made but was denied. The court denied it without prejudice that if the Port was doing something improper, the tenant could go back to court and seek another injunction. She advised the Commission that their action in their governmental capacity with respect to the plan for Fish Alley does not, in any way, affect their legal rights under their lease.

Commissioner Brandon thanked Kirk Bennett for all his work and the Waterfront Advisory Group for bringing this to the Commission and allowing them to vote on it.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 01-77 was adopted.

B. Request for approval of Extension of Exclusive Negotiations with San Francisco Cruise Terminal LLC for the Bryant Street Pier Project, including the James R. Herman International Cruise Terminal and Mixed Use Development Project, on Piers 30-32 and Seawall Lot 330, located at Bryant Street and The Embarcadero. Resolution No. 01-78)

Mr. John Doll, Planning & Development, presented the item and requested Commission's approval. The Port has been in exclusive right negotiations (ERN)with Lend Lease since early 2000. The exclusive right to negotiate expires on October 25. Staff received a letter from Lend Lease asking for an extension to the ERN. They have asked for an additional 18 months. In the last several months, the developer has been doing due diligence work on the seawall lot and the pier regarding the existing conditions. The original schedule was to have perform most of the environmental review work by now and to have commenced on project negotiations. However, one delay has been the lack of clarity with respect to the uses particularly on the pierside concerning the appropriate amount of incidental office use and retail space. In August, State Lands staff recommended that a legislative action would resolve this issue quickly, without which it would be another year before this issue would be clarified. AB 1389 was collectively and collaboratively structured and crafted. It has passed both State and Assembly and recently signed by the Governor. AB 1389 solves and provides clarity with respect to what amount of office use is consistent or is allowed on the pierside and it would also provide a maximum amount of local-serving retail uses on the pierside. In addition, there are provisions to accelerate and fund the Brannan Street Wharf. Staff recommended that Lend Lease be given an opportunity because of the one year delay with trust consistency and provide them with an additional time to complete progress on this project. Staff recommended that Lend Lease be given an initial 9-month extension, with no fee extension applied but with certain performance benchmarks. If the Commission believe that they have not met the performance benchmarks, the Commission has the sole and absolute discretion to grant them or not to grant them an additional 9 months with an extension fee of $25,000 which may or may not be waived.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion.

Commissioner Brandon expressed her concern about how the resolution was written with regard to the Commission's approval of performance benchmarks. As written, the Commission shall grant the extension request if the performance benchmarks are achieved but the resolution does not specifically state what the developer has to do. The resolution should be written in a way that it is at the Commission's discretion to grant the extension only if the benchmarks are achieved to the Port Commission's satisfaction. She also recommended that within the 9-month period, the developer should make an informational presentation to the Port Commission, not just Port staff, regarding the project to allow public hearing and comments.

Commissioner McWilliams offered an amendment to the first Resolved clause of the resolution, second sentence of Item c, after the words performance benchmarks, the phrase "as agreed upon by Commission action" should be added.

Commissioner Brandon asked for clarification of the second sentence of Item c, specifically the extension fee. Mr. Doll replied that there is an initial extension of 9 months. The Commission can decide whether they have achieved the benchmarks or not. If the Commission believes that they have achieved them, they shall be granted an additional 9 months. If they have failed, the Commission has the discretion of extending or not extending with the imposition of additional benchmarks.

Legal Counsel Ambrose pointed out that the second sentence while it might be stating the obvious, it does make it clear that there is a different standard of review if they haven't met the benchmarks. It makes it clear that it is the Commission's sole and absolute discretion whether or not to provide an extension. Whereas, the first part of Section c, if the performance benchmarks were achieved, the Commission does not have the discretion as to whether or not to give them the second 9 months.

Commissioner Brandon indicated that the Commission should have the discretion. The Commission will not grant the extension if it feels that the developer did not meet the benchmarks although the developer thinks otherwise.

Legal Counsel Ambrose indicated that the performance benchmarks laid out in the staff report are specific. There are certain specific dates by which they have to submit and present things to the Port.

Commissioner McWilliams commented that he would personally like to be involved in shaping the process early on rather than letting a lot of work happen that would not be acceptable or the Commission would like to change. It would give the Commission an opportunity to telegraph its intentions or what it expects from the project.

Since the Commission has not seen their latest proposal, Commissioner Brandon suggested that the Commission be provided an opportunity to see their proposed design prior to their spending the money and presenting their ideas to community groups and BCDC. Their project has changed tremendously since the Commission approved the original design.

Commissioner Brandon asked that the developer make an informational presentation to the Port Commission before April 30th.

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After further discussion, Legal Counsel Ambrose reiterated Commissioner McWilliams' amendment to the resolution. The following phrase should be inserted: "as agreed upon by Commission action" after the words performance benchmarks in the 4th line and the10th line of subsection c. Item c would then read. "If the performance benchmarks are achieved, the Port Commission shall grant the extension request provided that SFCT agrees to additional performance benchmarks as agreed upon by Commission action and pays a $25,000 extension fee unless waived. If SFCT fails to meet performance benchmarks, the Port Commission may agree in its sole and absolute discretion, to extend the term of the exclusive right for 9 months or such term as the Port Commission so determines provided that SFCT agrees to additional performance benchmarks as agreed upon by Commission action and pays an extension fee of $25,000 unless waived."

In addition Legal Counsel Ambrose indicated that for the record, the Commission is clarifying that one of the benchmarks that will be put in the exclusive right to negotiate is direction to staff that the presentations on the design and development program would be made to the Port Commission and not just to Port staff.

ACTION: Commissioner McWilliams moved approval as amended; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 01-78 was adopted.

5. NEW BUSINESS/PUBLIC COMMENT

6. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 5:05 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (DISCUSSION ITEMS):

a. Discuss existing litigation matters pursuant to subdivisions (a) and (d) of the California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (5 cases).

- As Plaintiff: CCSF v. Commonwealth Ins. Co. , et al., Santa Clara Superior Court Case No. CV 794046. Action filed October 22, 1999.

- As Defendant: F. Alioto Co. v. CCSF; Superior Court Case No. 318360.

- As Defendant: Bistro Z, LLC vs. CCSF, San Francisco Superior Court Case No. 319566.

- As Defendant: Lolman Enterprises, Inc. et al. v. City and County of San Francisco, et al., City & County of San Francisco Superior Court Case No. 325033.

- As Defendant: CIC Associates, Inc. v. N. John Douglass; Information Network Radio, Inc.; San Francisco Port Commission, et al., S.F. Superior Court Case No. 317532. Action filed December 19, 2000.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorize under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Edward B. Vinson

b. Property: Broadway/Embarcadero Hotel
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Stanford Hospitality: Lawrence Lui

c. Property: Pier 70, 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

d. Property: Pier 23
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 23 Café: Flicka McGurrin

e. Property: Pier 7
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Waterfront Restaurant: Al Falchi

7. RECONVENE IN OPEN SESSION

At 8:15 p.m., the Commission returned from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 8:15 p.m.

SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, OCTOBER 23, 2001
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

DOCUMENTS DEPT.

OCT 19 2001

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PUBLIC LIBRARY

AGENDA

1. **ROLL CALL**

2. **NEW BUSINESS/PUBLIC COMMENT**

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (DISCUSSION ITEMS):

a. Discuss existing litigation matter pursuant to subdivisions (a) and (d) of the California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (2 cases).

- As Plaintiff: CCSF v. Commonwealth Ins. Co. , et al., Santa Clara Superior Court Case No. CV 794046. Action filed October 22, 1999.
- As Defendant: Lolman Enterprises, Inc. et al. v. City and County of San Francisco, et al., City & County of San Francisco Superior Court Case No. 325033.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*MTC: Jim Wiltshire

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 80.

b. Property: Pier 23
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 23 Café: Flicka McGurrin

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 23.

c. Property: Pier 7
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Waterfront Restaurant: Al Falchi

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 7.

d. Property: Pier 30/32 and SWL 330
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 30/32 and SWL 330.

e. Property: Pier 70, 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at 1201 Illinois Street, between Humboldt and 23rd Streets.

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.12.
B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.12.

5. **APPROVAL OF MINUTES** - October 9, 2001 Regular Meeting

6. **EXECUTIVE**

A. Executive Director's Report
- Public Relations Campaign

7. **CONSENT CALENDAR**

A. Request for approval of a Memorandum of Understanding (MOU) with the San Francisco Public Utilities Commission for public access improvements within Port jurisdiction at Islais Creek. (Resolution No. 01-79) (Staff report provided to the Commission.)

B. Request for approval of a Memorandum of Understanding (MOU) for PUC to own and maintain a new 12" ductile iron water main in Terry Francois Boulevard constructed under Port Contract No. 2648. (Resolution No. 01-81) (Staff report provided to the Commission.)

8. **OPERATIONS**

A. Informational briefing on Operations Division Status Report. (Staff report provided to the Commission.)

9. **MARITIME**

A. Request for approval of Second Amendment to the Non-Exclusive Management Agreement with Marine Terminal Corporation for Pier 80. (Resolution No. 01-82) (Staff report provided to the Commission.)

10. **ENGINEERING & MAINTENANCE**

A. Informational briefing on status of Engineering & Maintenance Projects. (Staff report provided to the Commission.)

11. **PLANNING & DEVELOPMENT**

A. Informational briefing on status of Planning & Development Projects. (Staff report provided to the Commission.)

B. Request for approval of extension of Exclusive Negotiations for the Embarcadero Hotel Project at Broadway on Seawall Lots 323, 324 and 322-1. (Resolution No. 01-80) (Staff report provided to the Commission.)

12. **ADJOURNMENT**

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

NOVEMBER/DECEMBER 2001
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
November 13	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
December 11	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Person: Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets every second Wednesday of the month from 11:30 a.m. to 1:30 p.m. in the Bayside Conference Room @ Pier 1, except for the meeting in August which would be held on August 1st. Contact Person: Jill Simpson @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Person: Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 4th Monday of the month. Location to be determined. Contact Person: Diane Oshima @ 274-0553.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:

Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:

A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Kevin Jensen, ADA Coordinator, at 274-0555. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

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SAN FRANCISCO
PORT COMMISSION

OCTOBER 9, 2001
MINUTES OF THE REGULAR MEETING

DOCUMENTS DEPT.

OCT 19 2001

SAN FRANCISCO
PUBLIC LIBRARY

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

10-19-01P12:00 RCVD
with 10/23/01 Agenda.

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
OCTOBER 9, 2001

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:05 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee.

2 APPROVAL OF MINUTES - September 25, 2001 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor. The minutes of the September 25, 2001 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported the following:

- AB 1389.
  Last Thursday, BCDC strongly endorsed AB 1389. On that same day, the Governor signed the bill into law. AB 1389 is important to the Port such that it provides clarity of the use program on the piers. This allows the developer, Lend Lease, to refine its numbers and design, and provides a starting point of eventual negotiations between Lend Lease and the Port. Specifically, AB 1389 allows 300,000 of leasable square feet of office space with an additional 25,000 s.f. for a period of 14 years at which point it must be converted to trust use, or earlier if needed for the cruise terminal expansion. The new law also allows a limited amount of neighborhood-serving retail space which will serve the South Beach area and surrounding communities. Among other provisions, the law will accelerate the Brannan Street Wharf, another amenity to the South Beach community and San Francisco residents. With this commitment, the Port is obliged to encumber funds necessary to complete the Brannan Street Wharf within the following time frame: (1) construct the northern portion during the construction of the Cruise Terminal project and (2) remove Pier 36 and the southern portion of the wharf five years after starting the construction of the Cruise Terminal. This new law represents another major step forward for the development of the James R. Herman International Cruise Terminal and Mixed Use Project.

- South Ferry Terminal.
  Thanks to a lot of hard work by our team of Port construction management staff

and consultants, the contractor Miller Thompson, Port maintenance and maritime staff, the new South Ferry Terminal (adjacent to Sinbad's) was opened on October 3. Service at this new location began at 6:30 a.m. This location will serve the east bay (Alameda and Oakland). The North Terminal open some time near the New Year.

- Urban Land Institute Award for Pier 1 Historic Preservation Project.
  Mr. Kirk Bennett mentioned that at the ULI's convention last week, the Pier 1 project was honored with the ULI 2001 Award for Excellence. He accepted the award, on behalf of the Port. Luis Belmonte accepted the award on behalf of AMB. Each year, the ULI Award for Excellence honor the outstanding development projects throughout the world. It is the most prestigious award for development project. The ULI Award is sought after in the development industry. The awards jury evaluate projects in several categories and visit each of the finalists. The ULI Award recognizes the full development process of projects using three fundamental criteria: (1) architectural and design; (2) financial viability of the project; and (3) the social benefits. It must demonstrate relevance to the contemporary and future needs of the community in which it is located. Mr. Bennett showed the Commission a replica of the award. The larger scale model will be presented formally by ULI to the Port. This award is significant in that Pier 1 is the first project implementing the Port's vision within the Waterfront Land Use Plan to preserve its precious historic maritime resources while revitalizing and reconnecting them to the City. The ULI Award recognizes this vision for the San Francisco waterfront.

4. PLANNING & DEVELOPMENT

A. Request for adoption of amendments to the Waterfront Land Use Plan, including its Design and Access Element, regarding the Fish Alley Area of Fisherman's Wharf, which is generally bounded by Jefferson Street, Jones Street, Hyde Street and the Fisherman's Wharf Lagoon. (Resolution No. 01-77)

Mr. Kirk Bennett, Assistant Deputy Director for Planning & Development presented the item and requested Commission's approval. This item is a culmination of a long public process reaching community agreement on the future vision and plan for the fish alley area. The Waterfront Land Use Plan (WLUP) was adopted in 1997 after a 7-year consensus building process. That plan did leave specific fundamental design and use issues unresolved regarding fish alley. Two years ago, Port staff commenced a community based planning process with the Fisherman's Wharf Waterfront Advisory Group (FWWAG). Based on the input given by the FWWAG through this planning process, Port staff formulated amendments to the Waterfront Land Use Plan concerning the fish alley for consideration and adoption by the Commission. The specific recommendations were included in the staff report to the Commission. The recommendations fall into two categories. Regarding land uses, it recommended amending the WLUP to create a hierarchy of land uses respecting and protecting all of the existing businesses and leases in the Fisherman's Wharf while preserving and enhancing the fishing industry uses. Regarding design, it recommended amendments to the WLUP's Waterfront Design and Access Element established in the fish alley area as an architectural character district with specific design criteria. The fish alley

area is where the fishing industry began in Fisherman's Wharf. The fundamental effects of this amendment is to preserve the unique historic character of the fish alley area, maintaining the architectural character and the vibrant mix of fishing and commercial uses which are treasured by San Franciscans and visitors alike. He asked for Commission's adoption of the amendments to the WLUP. These amendments carry out the Port's public trust mission to promote fishing and it also helps to achieve the first objective of the WLUP for Fisherman's Wharf which is to restore and expand the wharf as a working and fishing port. These amendments also will protect and maximize the Port's revenues for Fisherman's Wharf as a whole. The Port receives 27% of its revenues from Fisherman's Wharf, a half of which is from variable percentage rent. The share of visitors to San Francisco going to Fisherman's Wharf has been declining. Recently, there has been a precipitous drop in the revenues from Fisherman's Wharf. Fisherman's Wharf originally attracted visitors due to its charm and authenticity of the fishing industry. It became a world wide tourist destination. Fisherman's Wharf continuing to function as a working fishing harbor with its related ambience is fundamental to Fisherman's Wharf continuing to attract visitors. Amending the WLUP as recommended is a very important step in protecting and enhancing the fishing industry and enhancing the appeal of Fisherman's Wharf to San Franciscans and visitors to San Francisco. This in turn would serve to protect and expand the aggregate rental revenue the Port receives from Fisherman's Wharf. He noted that these proposed amendments do not create a historic district, either as a national, state or as a local district. It establishes an architectural character district which incorporates a design criteria administered by the Port. It does not add an additional bureaucratic process. It provides clear guidelines for the Port. While the policy serves to protect the historic authentic character of the fish alley area, it's also practical. It recognizes that it may not be possible to retain all existing building fabric and allows some flexibility.

Commissioner McWilliams commented that in reading the package there was an underlying theme that the most important part of the amendment is supporting or enhancing the percentage rent for the Fisherman's Wharf. Although he was in support of the amendment, in his mind, there was no relation between that and supporting the fishing industry and our obligation to the trust. The most important thing is creating and supporting the fish industry. What's being done at Pier 45 is a good step towards accommodating the needs of the industry but it will not fulfill the future or the expanded needs of the industry. He was concerned that ARG concluded that no resources within the Fish Alley area qualify individually or collectively for the historic district criteria and yet the Port is being asked to conform to the Secretary of Interior's standard related to historic buildings. There seems to be a conflict. If an opportunity arises to support the fishing industry but it cannot be accommodated within those criteria, the Port will lose that opportunity. He wanted to ensure that we meet our public trust obligations and not hinder it.

Mr. Bennett replied that staff completely agrees with the premise that our first mission is to promote the public trust which includes promoting the fisheries. The most important reason to approve these amendments is to ensure that spaces are available in the fish alley area for the future needs of the fishing industry and to ensure that they have not been converted to other uses. In promoting the fishing industry, we are fortunate that financially, the Fisherman's Wharf area also helps fulfill our overall

trust. Part of the Burton Act that was established was to carry out the fisheries trust and established the fact that the Port is an enterprise agency and it needs to raise money from its properties to carry out its mission. Promoting the fish industry is also promoting the reason why visitors come to Fisherman's Wharf. Fisherman's Wharf is unique. There are a few places where you can have two very distinct industries being symbiotic. He agreed with Commissioner McWilliams assessment to make sure that the fishing industry is protected for its future needs.

With regard to historic district, staff contracted with Architectural Resources Group (ARG) to prepare a draft Fish Alley Study Area Historic Resources Evaluation and Design Recommendations report. ARG concluded that no resources within the Fish Alley Area qualify individually or collectively as an historic district for the National Register of Historic Places, which would qualify them for historic tax credits. ARG also concluded that no resources within the Fish Alley Area qualify individually for the California Register of Historic Places, but that a few structures might be collectively eligible for the California Register as contributors to an historic district comprising only a small portion of the Fish Alley Area. ARG therefore recommended that the Port consider creating an architectural character district for the Fish Alley Area with recommended design policies as a means to maintain the unique architectural character of the area.

The Advisory Group wanted to ensure that the Port not only maintains the appearance of the area but to ensure that the uses were included. There was a consensus with the group to maintain the mix of uses and allow for future expansion of fisheries and apply the Secretary of Interior 's standards to this area which would allow for demolition and change the fabric if necessary but it sets some general standards to follow. In no way does the process preclude new buildings. As part of the analysis, they looked at designing a building to meet the design standards that could also satisfy the needs of a modern fish processing facility. In the future, if there is a need for fish processing in fish alley, an existing building could be renovated to meet the needs of the fish industry as long as it does not exceed the height, certain characteristics cannot infringe on the street and the use of industrial materials, all of which could be incorporated into new additions or new buildings if necessary for the fishing industry.

Commissioner McWilliams commented that it does not make sense to adopt the Secretary of Interior's standard guidelines for rehabilitating the historic buildings because the buildings are not historic.

Legal Counsel Noreen Ambrose indicated that this issue was addressed specifically in the staff report. The policy with regard to the fish alley states that the original fabric should be retained whenever possible and a new fabric be designed to be compatible but not replicate. She reiterated that the staff report contains a language which states that while these policies are meant to protect the authentic historic character of the fish alley area, these policies recognize that it may not be possible to retain all existing building fabric; for example, where the structure has deteriorated to the point that it is not practical to rehabilitate the structure or where improvements are necessary to meet the needs of the fishing industry. This would clarify the intent of the language that is before the Commission that as projects come back before the Commission for its determination, consistent with the Port's policy, the Commission has the discretion to

allow buildings and facilities that may not fit into the current historic character but are necessary to accommodate the fishing industry.

Commissioner McWilliams asked for the definition of maritime office, referred to in page 2 of Exhibit C. Quoting from the Waterfront Land Use Plan, Mr. Bennett replied that maritime office is defined as an administrative and business functions for any maritime industry including but not limited to import/export businesses, legal and professional businesses as constituting a maritime as opposed to general purpose offices.

Commissioner McWilliams asked for clarification of the last sentence on page 4 of Exhibit C. Mr. Bennett replied that the original language included exploring the feasibility of creating a direct connection to the Hyde Street because when the WLUP was written, Hyde Street Harbor did not exist. There was no way to get forklifts from the Hyde Street Pier to the fish alley. The idea of creating a connection was a very important component of running a fishing harbor. It also acknowledges the fact that the connection would be for the public and other people to move through the alley. It would allow the public to observe the fishing activities without impinging on the fishing activities.

Tom Creedon, chair of the Fisherman's Wharf Advisory Group, indicated that it is important to the people of Fisherman's Wharf to maintain the attractiveness of the wharf and still support the fishing industry. They like the attractiveness of some of the corrugated metal buildings. With the exception of one tenant, who is in litigation with the Port, the vote was unanimous on this item. He urged the Commission to approve the amendment.

Al Baccari, member of the Advisory Committee and Executive Secretary of the Fisherman's Wharf Association, acknowledged Commissioner McWilliams' comments and questions. He also gave a brief background of the fish alley area. He commended and applauded the Port Commission, Director and staff for having the vision. The Fisherman's Wharf area now has a new harbor, a breakwater, 11 acres of Pier 45, the inner and outer lagoons and acres dedicated to the fishing industry. This amendment does not affect anything legal. It defines a character, predicated upon preserving the imagery for the fishing industry. If for some reason in the future, those in the fishing industry couldn't stay, the Port has the opportunity to make alternative decisions and designs. He hoped that before building anything on the pier, the Port repairs the J-10 pier as it would become a logical link.. He applauded the Commission for their vision of taking this geographical area and maintaining it as a fishing industry.

Commissioner McCarthy thanked the committee for their hard work and getting consensus for the project. She also thanked Kirk Bennett for his efforts. She asked for clarification of the letter sent to the Commission regarding the lawsuit by Lazio-Alioto. Legal Counsel Ambrose indicated that the letter was from the law offices of Angela Alioto to Don Margolis, City Attorney, brought by F. Alioto Fish Company. They reserve the right to bring a court action to get a restraining order against the Port to stop the Port from acting on its legal rights under the lease to require the reconstruction of the facility or the reletting of the facility. Somehow the

Commission's vote on the Fish Alley plan is implicated in the lawsuit. As pointed out in their letter, a motion for a preliminary injunction was made but was denied. The court denied it without prejudice that if the Port was doing something improper, the tenant could go back to court and seek another injunction. She advised the Commission that their action in their governmental capacity with respect to the plan for Fish Alley does not, in any way, affect their legal rights under their lease.

Commissioner Brandon thanked Kirk Bennett for all his work and the Waterfront Advisory Group for bringing this to the Commission and allowing them to vote on it.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 01-77 was adopted.

B. Request for approval of Extension of Exclusive Negotiations with San Francisco Cruise Terminal LLC for the Bryant Street Pier Project, including the James R. Herman International Cruise Terminal and Mixed Use Development Project, on Piers 30-32 and Seawall Lot 330, located at Bryant Street and The Embarcadero. Resolution No. 01-78)

Mr. John Doll, Planning & Development, presented the item and requested Commission's approval. The Port has been in exclusive right negotiations (ERN)with Lend Lease since early 2000. The exclusive right to negotiate expires on October 25. Staff received a letter from Lend Lease asking for an extension to the ERN. They have asked for an additional 18 months. In the last several months, the developer has been doing due diligence work on the seawall lot and the pier regarding the existing conditions. The original schedule was to have perform most of the environmental review work by now and to have commenced on project negotiations. However, one delay has been the lack of clarity with respect to the uses particularly on the pierside concerning the appropriate amount of incidental office use and retail space. In August, State Lands staff recommended that a legislative action would resolve this issue quickly, without which it would be another year before this issue would be clarified. AB 1389 was collectively and collaboratively structured and crafted. It has passed both State and Assembly and recently signed by the Governor. AB 1389 solves and provides clarity with respect to what amount of office use is consistent or is allowed on the pierside and it would also provide a maximum amount of local-serving retail uses on the pierside. In addition, there are provisions to accelerate and fund the Brannan Street Wharf. Staff recommended that Lend Lease be given an opportunity because of the one year delay with trust consistency and provide them with an additional time to complete progress on this project. Staff recommended that Lend Lease be given an initial 9-month extension, with no fee extension applied but with certain performance benchmarks. If the Commission believe that they have not met the performance benchmarks, the Commission has the sole and absolute discretion to grant them or not to grant them an additional 9 months with an extension fee of $25,000 which may or may not be waived.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion.

Commissioner Brandon expressed her concern about how the resolution was written with regard to the Commission's approval of performance benchmarks. As written, the Commission shall grant the extension request if the performance benchmarks are achieved but the resolution does not specifically state what the developer has to do. The resolution should be written in a way that it is at the Commission's discretion to grant the extension only if the benchmarks are achieved to the Port Commission's satisfaction. She also recommended that within the 9-month period, the developer should make an informational presentation to the Port Commission, not just Port staff, regarding the project to allow public hearing and comments.

Commissioner McWilliams offered an amendment to the first Resolved clause of the resolution, second sentence of Item c, after the words performance benchmarks, the phrase "as agreed upon by Commission action" should be added.

Commissioner Brandon asked for clarification of the second sentence of Item c, specifically the extension fee. Mr. Doll replied that there is an initial extension of 9 months. The Commission can decide whether they have achieved the benchmarks or not. If the Commission believes that they have achieved them, they shall be granted an additional 9 months. If they have failed, the Commission has the discretion of extending or not extending with the imposition of additional benchmarks.

Legal Counsel Ambrose pointed out that the second sentence while it might be stating the obvious, it does make it clear that there is a different standard of review if they haven't met the benchmarks. It makes it clear that it is the Commission's sole and absolute discretion whether or not to provide an extension. Whereas, the first part of Section c, if the performance benchmarks were achieved, the Commission does not have the discretion as to whether or not to give them the second 9 months.

Commissioner Brandon indicated that the Commission should have the discretion. The Commission will not grant the extension if it feels that the developer did not meet the benchmarks although the developer thinks otherwise.

Legal Counsel Ambrose indicated that the performance benchmarks laid out in the staff report are specific. There are certain specific dates by which they have to submit and present things to the Port.

Commissioner McWilliams commented that he would personally like to be involved in shaping the process early on rather than letting a lot of work happen that would not be acceptable or the Commission would like to change. It would give the Commission an opportunity to telegraph its intentions or what it expects from the project.

Since the Commission has not seen their latest proposal, Commissioner Brandon suggested that the Commission be provided an opportunity to see their proposed design prior to their spending the money and presenting their ideas to community groups and BCDC. Their project has changed tremendously since the Commission approved the original design.

Commissioner Brandon asked that the developer make an informational presentation to the Port Commission before April 30th.

After further discussion, Legal Counsel Ambrose reiterated Commissioner McWilliams' amendment to the resolution. The following phrase should be inserted: "as agreed upon by Commission action" after the words performance benchmarks in the 4th line and the10th line of subsection c. Item c would then read. "If the performance benchmarks are achieved, the Port Commission shall grant the extension request provided that SFCT agrees to additional performance benchmarks as agreed upon by Commission action and pays a $25,000 extension fee unless waived. If SFCT fails to meet performance benchmarks, the Port Commission may agree in its sole and absolute discretion, to extend the term of the exclusive right for 9 months or such term as the Port Commission so determines provided that SFCT agrees to additional performance benchmarks as agreed upon by Commission action and pays an extension fee of $25,000 unless waived."

In addition Legal Counsel Ambrose indicated that for the record, the Commission is clarifying that one of the benchmarks that will be put in the exclusive right to negotiate is direction to staff that the presentations on the design and development program would be made to the Port Commission and not just to Port staff.

ACTION: Commissioner McWilliams moved approval as amended; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 01-78 was adopted.

5. NEW BUSINESS/PUBLIC COMMENT

6. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 5:05 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (DISCUSSION ITEMS):

a. Discuss existing litigation matters pursuant to subdivisions (a) and (d) of the California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (5 cases).

- As Plaintiff: CCSF v. Commonwealth Ins. Co. , et al., Santa Clara Superior Court Case No. CV 794046. Action filed October 22, 1999.

- As Defendant: F. Alioto Co. v. CCSF; Superior Court Case No. 318360.

- As Defendant: Bistro Z, LLC vs. CCSF, San Francisco Superior Court Case No. 319566.

- As Defendant: Lolman Enterprises, Inc. et al. v. City and County of San Francisco, et al., City & County of San Francisco Superior Court Case No. 325033.

- As Defendant: CIC Associates, Inc. v. N. John Douglass; Information Network Radio, Inc.; San Francisco Port Commission, et al., S.F. Superior Court Case No. 317532. Action filed December 19, 2000.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorize under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Edward B. Vinson

b. Property: Broadway/Embarcadero Hotel
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Stanford Hospitality: Lawrence Lui

c. Property: Pier 70, 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

d. Property: Pier 23
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 23 Café: Flicka McGurrin

e. Property: Pier 7
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Waterfront Restaurant: Al Falchi

7. RECONVENE IN OPEN SESSION

At 8:15 p.m., the Commission returned from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 8:15 p.m.

PORT OF SAN FRANCISCO

MEMORANDUM

October 17, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Michael Hardeman
Hon. Denise McCarthy
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approve a Memorandum of Understanding (MOU) with the San Francisco Public Utilities Commission (SFPUC) for Public Access Improvements Within Port Jurisdiction at Islais Creek

DIRECTOR'S RECOMMENDATION: AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A MOU AND OTHER NECESSARY AGREEMENTS OR DOCUMENTS WITH THE SFPUC TO IMPLEMENT BCDC REQUIRED PUBLIC ACCESS IMPROVEMENTS.

On January 10, 2000, the SFPUC obtained BCDC Permit No. 14-99 to expand the existing Southeast Water Pollution Control Plant Booster Pump Station located on the south shore of Islais Creek, on the corner of 3rd Street and Arthur Avenue. The Pump Station is located on a triangle parcel that is not within Port jurisdiction. The Port Commission had no authority to approve or deny the pump station expansion project. See Vicinity Map. BCDC required SFPUC to install certain public access improvements adjacent to the pump station building. Some of the landscape and shoreline public access improvements are located in Port jurisdiction and include new rip-rap, shoreline stabilization, new marsh plantings, new ground cover and a bench overlook near the Third Street Bridge. See Landscape Layout Plan.

SFPUC wishes to enter into a MOU with the Port to set forth the conditions under which the BCDC required public access improvements located in Port jurisdiction will be constructed and maintained by SFPUC.

Prepared by: Dan Bell, Planning and Development

This Print covers Calendar Item No. 7A

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-79

WHEREAS, Under the City and County of San Francisco Charter, Section B3.581, the Port of San Francisco has the authority and duty to use, conduct, operate, maintain, manage, regulate and control lands within Port jurisdiction; and

WHEREAS, On January 10, 1999 the San Francisco Public Utilities Commission (SFPUC) obtained from the San Francisco Bay Conservation and Development Commission (BCDC) Permit No. 14-99 as part of the necessary entitlements for the rehabilitation and expansion of the Southeast Water Pollution Control Plant Booster Pump Station; and

WHEREAS, The Booster Pump Station was completed in 1968 and was rehabilitated in 1988 and has been in continuous operation since 1968; and

WHEREAS, The Booster Pump Station is a vital component of the Clean Water Program Master Plan and its continued operation is critical to compliance with the City's National Pollutant Discharge Elimination System (NPDES) Permit for the eastside of the City; and

WHEREAS, The Booster Pump Station is located on Assessor Parcels 4501-1,3,4,5 and these parcels are not located within Port jurisdiction; and

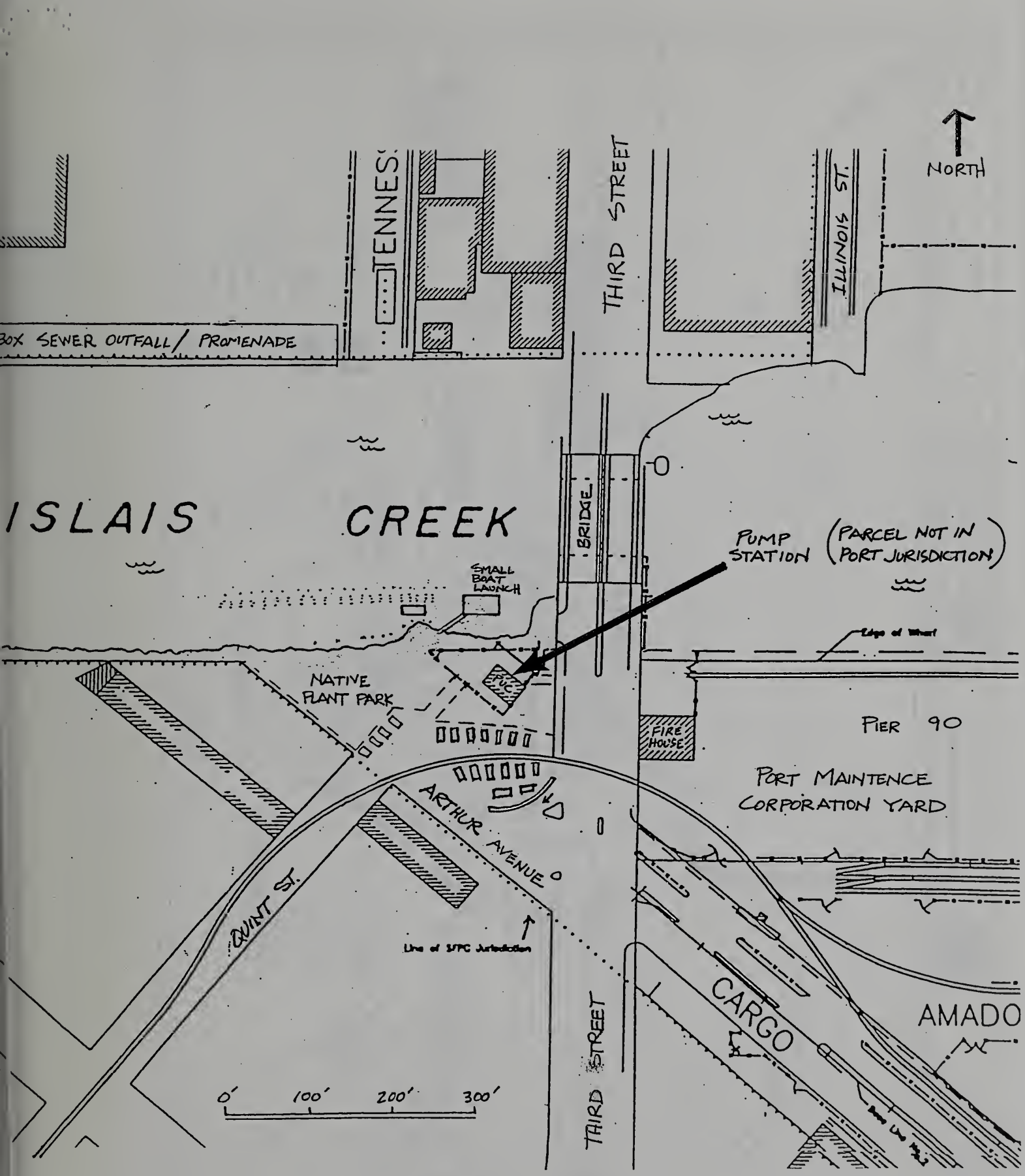
WHEREAS, BCDC required SFPUC to construct and maintain certain public access improvements on the pump station property and on adjacent Port property, including new rip-rap, shoreline stabilization, new marsh plantings, new ground cover and a bench overlook near the Third Street Bridge; and

WHEREAS, The SFPUC wishes to enter into a Memorandum of Understanding with the Port to set forth conditions under which the public access improvements required as a condition of Permit No. 14-99 and located within Port jurisdiction will be constructed and maintained by the SFPUC; now, therefore, be it

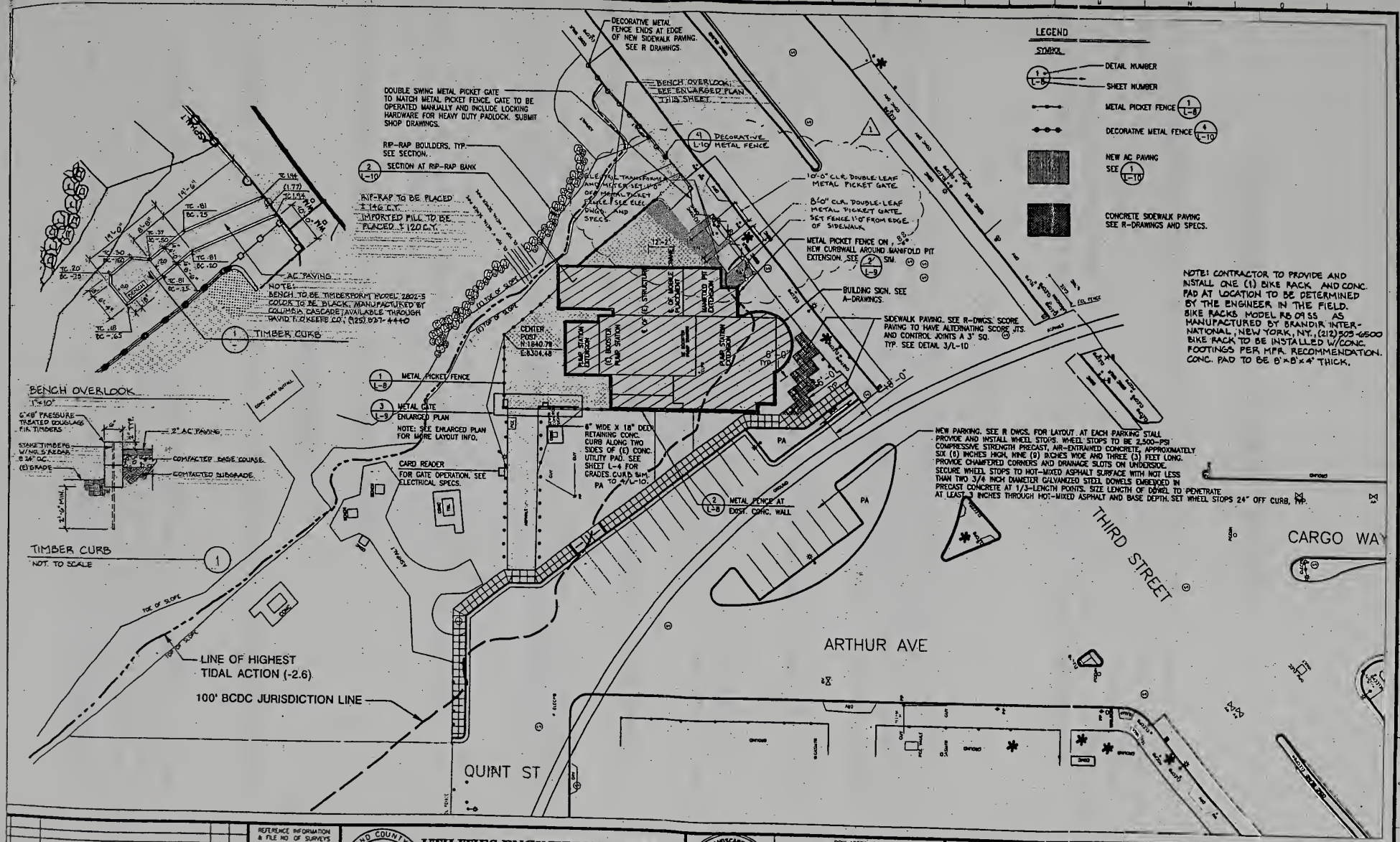
RESOLVED, that the Port Commission hereby authorizes the Port Executive Director to enter into such Memorandum of Understanding and any other required document or agreement to allow SFPUC to undertake said BCDC public access improvements within Port jurisdiction.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 23, 2001.

_____
Secretary



VICINITY MAP


LEGEND
SYMBOL
DETAIL NUMBER
SHEET NUMBER
METAL PICKET FENCE
DECORATIVE METAL FENCE
NEW AC PAVING SEE
CONCRETE SIDEWALK PAVING SEE R-DRAWINGS AND SPECS.
DECORATIVE METAL FENCE ENDS AT EDGE OF NEW SIDEWALK PAVING. SEE R DRAWINGS.
BENCH OVERLOOK SEE ENLARGED PLAN THIS SHEET
DOUBLE SWING METAL PICKET GATE TO MATCH METAL PICKET FENCE. GATE TO BE OPERATED MANUALLY AND INCLUDE LOCKING HARDWARE FOR HEAVY DUTY PADLOCK. SUBMIT SHOP DRAWINGS.
RIP-RAP BOULDERS. TYP. SEE SECTION.
SECTION AT RIP-RAP BANK
RIP-RAP TO BE PLACED ± 146 C.Y.
IMPORTED FILL TO BE PLACED ± 120 C.Y.
ELECTRIC TRANSFORMER AND METER SET UNDER METAL PICKET FENCE. SEE ELEC. DWGS. AND SPECS.
10'-0" CLR. DOUBLE-LEAF METAL PICKET GATE.
8'-0" CLR. DOUBLE-LEAF METAL PICKET GATE. SET FENCE 1'-0" FROM EDGE OF SIDEWALK.
METAL PICKET FENCE ON NEW CURBWALL AROUND MANIFOLD PIT EXTENSION. SEE SIM.
BUILDING SIGN. SEE A-DRAWINGS.
SIDEWALK PAVING. SEE R-DWGS. SCORE PAVING TO HAVE ALTERNATING SCORE JTS. AND CONTROL JOINTS A 3' SQ. TYP. SEE DETAIL 3/L-10
NOTE: CONTRACTOR TO PROVIDE AND INSTALL ONE (1) BIKE RACK AND CONC. PAD AT LOCATION TO BE DETERMINED BY THE ENGINEER IN THE FIELD. BIKE RACKS MODEL RS 09 SS AS MANUFACTURED BY BRANDIR INTERNATIONAL, NEW YORK, NY., (212) 505-6500 BIKE RACK TO BE INSTALLED W/CONC. FOOTINGS PER MFR. RECOMMENDATION. CONC. PAD TO BE 8'×8'×4" THICK.
AC PAVING
NOTE: BENCH TO BE TIMBERFORM MODEL 2802-S COLOR TO BE BLACK, MANUFACTURED BY COLUMBIA CASCADE AVAILABLE THROUGH DAVID T. O'KEEFE CO.; (925) 837-4440
TIMBER CURB
BENCH OVERLOOK
1"=10"
6"x8" PRESSURE TREATED DOUGLAS FIR TIMBERS
STAKE TIMBERS W/NO. 5 REBAR @ 36" OC.
2" AC PAVING
COMPACTED BASE COURSE
COMPACTED SUBGRADE
(E) GRADE
TIMBER CURB
NOT TO SCALE
CENTER POST N:1840.78 E:8304.48
METAL PICKET FENCE
METAL GATE ENLARGED PLAN
NOTE: SEE ENLARGED PLAN FOR MORE LAYOUT INFO.
CARD READER FOR GATE OPERATION. SEE ELECTRICAL SPECS.
6" WIDE X 18" DEEP RETAINING CONC. CURB ALONG TWO SIDES OF (E) CONC. UTILITY PAD. SEE SHEET L-4 FOR GRADES. CURB SIM. TO 4/L-10.
METAL FENCE AT EXIST. CONC. WALL
NEW PARKING. SEE R DWGS. FOR LAYOUT. AT EACH PARKING STALL PROVIDE AND INSTALL WHEEL STOPS. WHEEL STOPS TO BE 2,500-PSI COMPRESSIVE STRENGTH PRECAST, AIR-ENTRAINED CONCRETE, APPROXIMATELY SIX (6) INCHES HIGH, NINE (9) INCHES WIDE AND THREE (3) FEET LONG. PROVIDE CHAMFERED CORNERS AND DRAINAGE SLOTS ON UNDERSIDE. SECURE WHEEL STOPS TO HOT-MIXED ASPHALT SURFACE WITH NOT LESS THAN TWO 3/4 INCH DIAMETER GALVANIZED STEEL DOWELS EMBEDDED IN PRECAST CONCRETE AT 1/3-LENGTH POINTS. SIZE LENGTH OF DOWEL TO PENETRATE AT LEAST 3 INCHES THROUGH HOT-MIXED ASPHALT AND BASE DEPTH. SET WHEEL STOPS 24" OFF CURB, TYP.
LINE OF HIGHEST TIDAL ACTION (-2.6)
100' BCDC JURISDICTION LINE
THIRD STREET
CARGO WAY
ARTHUR AVE
QUINT ST
PA

4/23/99	ADD ELECTRICAL EQUIPMENT	KP	JA
DATE	DESCRIPTION	BY	APP

TABLE OF REVISIONS
CHECK WITH TRACING TO SEE IF YOU HAVE LATEST REVISION

REFERENCE INFORMATION & FILE NO OF SURVEYS

UTILITIES ENGINEERING BUREAU
PUBLIC UTILITY COMMISION
CITY AND COUNTY OF SAN FRANCISCO

LICENSED LANDSCAPE ARCHITECT — MARTHA RETTENMAIER — STATE OF CALIFORNIA

DPW APPROVAL

MK/KP	4/99		4/99
DESIGNED:	DATE:	SECTION MANAGER	DATE:
KP	4/99		4/19/99
DRAWN:	DATE:	DIVISION MANAGER	DATE:
MK	4/99		4/19/99
CHECKED:	DATE:	CITY ENGINEER	DATE:

SCALE: 1"=20'

SHEET OF SHEETS: 3 of 10

SOUTHEAST WATER POLLUTION CONTROL PLANT
BOOSTER PUMP STATION UPGRADE

LANDSCAPE LAYOUT PLAN

PUC CONTRACT NO. CW-277
DRAWING NO. L-3
FILE NO. 72119
REV. NO. 1

EXTERNAL REFERENCES: SHEETS
SCALE FACTOR: 1
ORIGIN: LA
FILE NAME: BOS-ST03.DWG

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (herein "MOU") dated hereof for reference purposes only as of _____, 2001, is entered into by and between the City and County of San Francisco acting in its capacity as trustee under the Burton Act (Stats. 1968 Ch. 1333) through its Port Commission ("Port") and the City and County of San Francisco acting in its proprietary capacity through the San Francisco Public Utilities Commission ("SFPUC").

RECITALS

A. The San Francisco Public Utilities Commission (PUC) obtained from the San Francisco Bay Conservation and Development Commission (BCDC) Permit No. 14-99 as part of the necessary entitlements for the rehabilitation and expansion of the Southeast Water Pollution Control Plant Booster Pump Station. A copy of the BCDC Permit is attached hereto as Exhibit B.

B. The Booster Pump Station was completed in 1968 and was rehabilitated in 1988. It has been in continuous operation since 1968.

C. The Booster Pump Station is a vital component of the Clean Water Program Master Plan. Its continued operation is critical to compliance with the City's National Pollutant Discharge Elimination System (NPDES) Permit for the eastside of the City.

D. BCDC required the SFPUC to address public access impacts on adjoining property, some of which is owned by the Port.

E. As a result, BCDC Permit No.14-99 required as conditions of approval that there be landscaping directly in front of and adjoining the Booster Pump Station and that the SFPUC will maintain said landscaping.

F. The parties now wish to enter into this MOU to set forth the conditions under which the landscaping required as a condition of approval of Permit No. 14-199 will be maintained and used for public access purposes.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.

2. **Property/Use.** The Port hereby grants to SFPUC the right to maintain and enter for construction and repair purposes that certain Port property located at Islais Landing Park identified as "D-5" on the Plat of BCDC Dedication of Public Access Areas D1, D2, D3, D4, D5 & D6 Islais Creek Overflow Structure, dated October, 2000, attached hereto as Exhibit A (the

"Property"), and to perform all such other actions at the Property as are reasonably necessary for SFPUC's compliance with BCDC Permit No. 14-99 in accordance with this MOU.

3. **Effective Date/Term.** The term of this MOU shall commence on _____, 2001, and terminate upon the expiration of BCDC Permit No. 14-99.

4. **Non-Interference.** Port shall have the right to use and enjoy the Property except when such use interferes with use of the Property for landscaping and maintenance in accordance with the BCDC permit.

5. **Restrictions on Use; Compliance with Law.** SFPUC, at SFPUC's expense, shall comply with all laws, regulations and requirements of Federal, state, county and municipal authorities, now in force or which may hereafter be in force, including compliance with BCDC Permit No. 14-99, and all laws relating to Hazardous Materials, which impose any duty upon SFPUC with respect to the use, occupation or alteration of the Property.

6. **Maintenance**. Any damage to Port property caused by installation, maintenance, repair or any other activity of SFPUC permitted hereunder shall be repaired and restored to its prior condition upon completion of the installation, maintenance, repair or other activities at no cost to Port. During the term hereof, SFPUC shall maintain in good repair and condition only the improvements made pursuant to this MOU.

7. **Insurance**. SFPUC shall require any contractor or subcontractor it hires in connection with its use of the Property, to secure such insurance as is recommended by the City Risk Manager and approved by Port. The Port shall be included as an additional insured in any such insurance.

8. **Indemnification**. SFPUC shall include the Port as an indemnified party in any indemnification provision between SFPUC and any agent, contractor or subcontractor it hires in connection with its use of the Property.

9. **Damages.** It is the understanding of the parties that Port shall not expend any funds due to or in connection with SFPUC's activities on the Property or the use of the Property as a public right-of-way. Therefore, SFPUC agrees to be responsible for all costs associated with all claims, damages, liabilities or losses which arise (i) as a result of the handling of Hazardous Materials on or about the Property by SFPUC, its agents or invitees, and its contractor's assignees or sublessees, or (ii) out of any injury or death of any person or damage of any property occurring in, on or about the Property from any cause other than the sole gross negligence or wilful misconduct of Port. The foregoing obligation of SFPUC shall survive the termination of this agreement. As used herein, "Hazardous Materials" shall mean any substance, water or material which has been determined by any state, federal, or local government authority to be capable of posing a risk of injury to health, safety or property.

10. **Notices.** All notices, demand, consents or approvals which are or may be required to be given by either party to the other under this MOU shall be in writing and shall be

deemed to have been fully given when delivered in person to such representatives of Port and SFPUC as shall from time to time be designated by the parties for the receipt of notices, or when deposited in the United States mail, postage prepaid, and addressed, if to Port to:

Director of Planning
San Francisco Port Commission
Pier 1
San Francisco, CA 94111

and if to SFPUC to:

Manfred Wong
San Francisco Public Utilities Commission
25 Van Ness
4th Floor
San Francisco, CA 94102

or such other address with respect to either party as that party may from time to time designate by notice to the other given pursuant to the provisions of this Paragraph.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed as of the date first written above.

AGREED TO AS WRITTEN ABOVE:

CITY AND COUNTY OF
SAN FRANCISCO, a municipal
corporation operating by and through
THE SAN FRANCISCO PORT
COMMISSION

By:_____
DOUGLAS F. WONG
Executive Director

Date: _____
Resolution No.: _____

AGREED TO AS WRITTEN ABOVE:

CITY AND COUNTY OF
SAN FRANCISCO, a municipal
corporation operating by and through
THE SAN FRANCISCO PUBLIC
UTILITIES COMMISSION

By:_____

Director

EXHIBT A

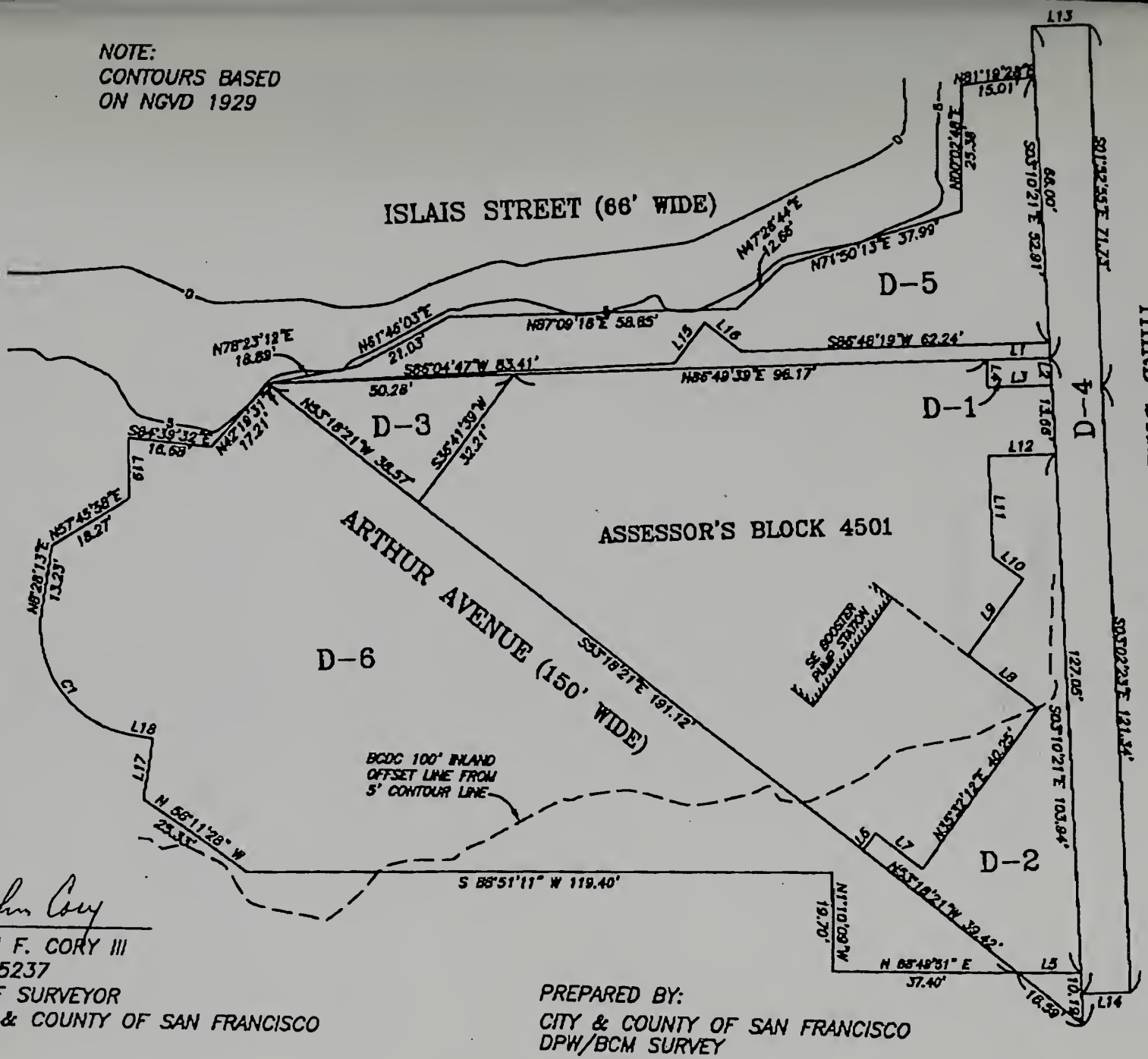
Map of Property

NOTE:
CONTOURS BASED
ON NGVD 1929

1"=30'

LINE TABLE		
LINE	LENGTH	BEARING
L1	13.00'	N 85°49'39" E
L2	5.35'	S 03°10'21" E
L3	13.00'	S 85°49'39" W
L4	5.35'	N 03°10'21" W
L5	12.74'	S 88°49'51" W
L6	4.20'	N 36°41'39" E
L7	11.56'	S 54°27'48" E
L8	17.66'	N 54°27'48" W
L9	19.08'	N 35°32'12" E
L10	7.43'	N 54°27'48" W
L11	20.30'	N 03°10'21" W
L12	13.66'	N 85°49'39" E
L13	11.79'	N 85°49'39" E
L14	9.89'	N 85°49'39" E
L15	10.27'	N 37°14'20" E
L16	9.17'	S 55°08'44" E
L17	12.34'	N 05°28'13" E
L18	4.26'	N 81°31'47" W
L19	12.14'	N 00°05'11" W

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	33.98'	21.63'	90°00'00"



PROFESSIONAL LAND SURVEYOR
JOHN F. CORY, III
10-24-00
Exp. 06-30-09
No. 5237
STATE OF CALIFORNIA

John Cory

JOHN F. CORY III
L.S. 5237
CHIEF SURVEYOR
CITY & COUNTY OF SAN FRANCISCO

PREPARED BY:
CITY & COUNTY OF SAN FRANCISCO
DPW/BCM SURVEY

PLAT OF B.C.D.C. DEDICATION OF PUBLIC ACCESS AREAS D1, D2, D3, D4, D5 & D6 AT ISLAIS CREEK OVERFLOW STRUCTURE.

OCTOBER 2000

EXHIBT B

BCDC Permit

STATE OF CALIFORNIA GRAY DAVIS, Governor

SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION
THIRTY VAN NESS AVENUE, SUITE 2011
SAN FRANCISCO, CALIFORNIA 94102-6080
PHONE: (415) 557-3686

Permittees' Copy

PERMIT NO. 14-99
January 10, 2000

Public Utilities Commission
1212 Market Street, 2nd Floor
San Francisco, California 94102

ATTENTION: Manfred Wong, Project Manager

AND

The Port of San Francisco
Ferry Building, Suite 3100
San Francisco, California 94111

ATTENTION: Dan Bell

Ladies and Gentlemen:

On January 6, 2000, the San Francisco Bay Conservation and Development Commission, by a vote of 17 affirmative, 0 negative, and 0 abstentions, approved the resolution pursuant to which this permit is hereby issued:

I. Authorization

A. Subject to the conditions stated below, the permittees, the San Francisco Public Utilities Commission and the Port of San Francisco, are granted permission to construct improvements to and expand the existing Southeast Water Pollution Control Plant Booster Pump Station located on the south shore of Islais Creek, on the corner of 3rd Street and Arthur Avenue, in the southeastern portion of the City and County and San Francisco. Authorized work includes the following:

Within the Bay:

1. Place approximately 133 cubic yards of riprap over approximately 1,100 square-feet of area for shoreline protection and shoreline habitat restoration; and
2. Place approximately 133 cubic yards of top soil over approximately 1,200 square-feet of area for shoreline habitat restoration and plant the area with native marsh plants

Within the 100-foot shoreline Band:

1. Construct, use and maintain a 1,089-square-foot portion of a 1,676-square-foot addition to the existing sewer pump building that would be of similar appearance to the existing building;
2. Construct, use and maintain a 405-square-foot addition to the existing building manifold area;

3. Pave, use and maintain approximately 2,620 square feet of area for paving and sidewalk improvements at Islais Landing Waterfront Park and adjacent to 3rd Street; and

4. Landscape approximately 6,840-square-foot portion of an approximately 8,800-square-foot area for public access improvements at Islais Landing Waterfront Park, including new fencing, benches, bike racks, signage and native plants.

B. This authority is generally pursuant to and limited by the application filed on December 16, 1999, including all accompanying and subsequent correspondence and exhibits, but subject to the modifications required by conditions hereto.

C. Work authorized herein must commence prior to January 31, 2001, or this permit will lapse and become null and void. All work must also be diligently prosecuted to completion and must be completed by January 31, 2003, unless an extension of time is granted by amendment of the permit.

D. The project will result in an addition to the existing wastewater pumping building for improved and more reliable wastewater pumping capacity for the City of San Francisco, approximately 2,300 square feet of fill for shoreline restoration and protection, and approximately 11,500 square feet of new, improved and dedicated public access area, plus parking, signage and landscaping, at Islais Landing Waterfront Park.

II. Special Conditions

The authorization made herein shall be subject to the following special conditions, in addition to the standard conditions in Part IV:

A. Specific Plans and Plan Review

1. **Plan Review and Approval.** No work whatsoever shall commence pursuant to this authorization until final precise site, architectural, shoreline protection and restoration, public access, and landscaping plans and any other relevant criteria, specifications, and plan information for that portion of the work have been submitted to, reviewed, and approved in writing by or on behalf of the Commission. The specific drawings and information required shall be determined by the staff and shall be generally consistent with the plans and information required in Special Condition II-B-2 below.

   Plans submitted shall be accompanied by a letter requesting plan approval, identifying the type of plans submitted, the portion of the project involved, and indicating whether the plans are final or preliminary. Approval or disapproval shall be based upon:

   a. completeness and accuracy of the plans in showing the features required above, particularly the line five feet above Mean Sea Level, property lines, and the line 100-feet inland of the line five feet above Mean Sea Level, and any other criteria required by this authorization;

   b. consistency of the plans with the recommendations and advice of the Commission's Design Review Board;

   c. consistency of the plans with the terms and conditions of this authorization; and

PORT OF SAN FRANCISCO

MEMORANDUM

October 18, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approve and authorize the Executive Director to execute a Memorandum of Understanding with the Public Utilities Commission to own and maintain a new 12" ductile iron water main in Terry Francois Boulevard constructed under Port Contract 2648.

DIRECTOR'S RECOMMENDATION: TO APPROVE AND AUTHORIZE EXECUTION OF THE MEMORANDUM OF UNDERSTANDING.

Introduction: With this report and proposed resolution, Port staff seeks approval of an MOU between the Port and PUC concerning the ownership and maintenance of the new 12" water main installed beneath Terry Francois Boulevard (formerly China Basin Street), which provides fire protection services for Piers 48 and 50, and which is now completed under Port Contract 2648.

Background: In order to accommodate the construction of Pacific Bell Ballpark, the Port moved its Maintenance facility to Pier 50 Shed D, and relocated other tenants from Pier 46 to some of the other sheds at Pier 50. As part of the relocation project for Port Maintenance and the other Port tenants, the Port staff planned a fire sprinkler system for the sheds on Pier 50. However, this project was delayed because the former 8" water main in Terry Francois Boulevard was not adequate to supply a large sprinkler system.

This Print Covers Calendar Item No. 7B

RT OF SAN FRANCISCO

The water main for Pier 50 fire protection was also needed to supply a sprinkler system at Pier 48 and an irrigation system for a new park along the shoreline. Pier 48 was damaged by fire in late 1996 and interior improvements are being completed on the sheds. As part of the fire damage insurance claim, Port staff has negotiated an agreement with the insurance company to cover a portion of the cost of the new water main needed for Piers 48 and 50.

At its meeting on 11/21/00, the Port Commission awarded Construction Contract 2648, the fire protection contract for Piers 48 and 50, including a new 12" water main under Terry Francois Boulevard. The contractor, D'Arcy and Harty Construction, Inc., has performed this pipeline and fire protection work on schedule to date, and the work should be completed on November 15, 2001. The new 12" water main is now complete and in service. The contract cost is now $922,642.15, which is less than the $940,093.00 which was approved for this contract, including a 10% construction contingency. Approximately $250,000 of this amount is from the insurance claim settlement.

The City's Public Utilities Commission (PUC) had maintained the pre-existing 8" water main which served Piers 48 and 50. Upon completion of the Port's contract for installation of the new water main, PUC has agreed to accept the ownership and maintenance responsibilities for the new water main. In exchange, the PUC requires that the Port will agree to provide continuous and unobstructed access to the water main for maintenance purposes, and that the Port assume responsibility for damages caused by PUC's inability to maintain the main due to obstructed access.

This agreement has been memorialized in the MOU attached to this staff report, and has received approval of the City Attorney's Office and the City Risk Manager. The Port staff therefore requests Commission approval and authorization to execute the attached Memorandum of Understanding between the Port and the Public Utilities Commission for the ownership and continued maintenance of the 12" water main constructed in Contract 2648.

Prepared by: Skip Zeller
Mechanical Engineer
For: Nieret Mizushima
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-81

WHEREAS, On 11/21/00, the Port Commission awarded Contract 2648, for Piers 48 and 50 Fire Protection; and

WHEREAS, Contract 2648 included a new 12" water main beneath Terry Francois Boulevard from 3rd Street to Mission Rock Street to provide fire protection service for Piers 48 and 50; and

WHEREAS, Contract 2648 is nearing completion; and

WHEREAS, PUC maintained the pre-existing 8" water main; and

WHEREAS, PUC has agreed to accept ownership and maintenance responsibilities of the new water main, subject to Port's agreement to assume responsibility for damages caused by PUC's inability to maintain the main due to obstructed access; and

WHEREAS, On 5/24/01, the Public Utilities Commission staff completed their review and approval of the attached Memorandum of Understanding; now, therefore be it

RESOLVED, that the Port Commission hereby approves and authorizes the Executive Director to execute the Memorandum of Understanding between the Port and the Public Utilities Commission for maintenance of the water main and its branches in Terry Francois Boulevard between Third Street and Mission Rock Street.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 23, 2001.

_____
Secretary

MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN THE
SAN FRANCISCO PUBLIC UTILITIES COMMISSION AND
THE SAN FRANCISCO PORT COMMISSION
FOR MAINTENANCE OF THE WATER MAIN ALONG TERRY FRANCOIS BLVD.,
FROM MISSION ROCK STREET TO THIRD STREET

RECITALS

WHEREAS, the San Francisco Port Commission (hereinafter "Port) is undertaking the construction of a new water main running under its property on Terry Francois Boulevard, between Mission Rock Street and Third Street, to replace an existing water main, hereinafter referred to as Installation; and

WHEREAS, the San Francisco Public Utilities Commission (hereinafter "PUC") has been maintaining the existing water main;

This agreement is entered into by and between the PUC and the Port solely for the purpose of maintaining the Installation described by Attachment A, attached hereto and incorporated herein by reference.

AGREEMENT

The PUC will assume the ownership of the Installation, defined for purposes of this MOU pursuant to Attachment A, up to and including the meters, only upon a determination by the PUC inspector that the construction is complete, satisfies all PUC standards and specifications, and is fully operational. The effective date of the PUC's ownership will be the date on the PUC inspector's acceptance letter .

Upon PUC's assumption of ownership of the Installation, the PUC will solely be responsible for the maintenance of the Installation. The Port agrees to provide continuous and unobstructed access to the Installation for maintenance by the PUC. In the event that access to the Installation is obstructed at any time, the Port shall take all reasonable steps in a timely fashion to remove the obstruction. If the Port fails to take such reasonable action, the Port shall assume responsibility for any injury or harm that is indirectly or directly caused by PUC's inability to maintain the Installation due to such obstructed access.

APPROVED AS TO FORM:

Louise H. Renne, City Attorney

By:_____
Ilene Dick,
Deputy City Attorney

APPROVED:

_____ Date: _____
Douglas Wong, Executive Director
Port of San Francisco

APPROVED:

_____ Date: _____
John Mullane, General Manager
San Francisco Public Utilities Commission

PORT OF SAN FRANCISCO

MEMORANDUM

October 18, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Operations Division Status Report

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

I am pleased to provide the Commission a copy of the Operations Division's quarterly report which covers July 1 – September 30, 2001, outlining the division's accomplishments. As you will note, the Division now includes the Accounting and Finance departments.

The format of the report is based on the Program Objectives identified in the Business Plan of the Port's Operations Division. I commend it to you for your review.

This Print Covers Calendar Item No. 8A

T F SAN FRANCISCO

PORT OF SAN FRANCISCO

MEMORANDUM

October 2001

TO: Doug Wong, Executive Director

FROM: Karen Clopton, Chief of Operations

SUBJECT: Division of Operations Report

I am pleased to submit our first quarterly report for the 2001-2002 fiscal year, which covers July 1 – September 30, 2001. The Division now includes the Accounting and Finance departments. The following is a list of the Division of Operations' major issues and accomplishments:

I. HUMAN RESOURCES

Objective: To conduct outreach recruitment to fill position in order to provide equal employment opportunity to all groups in the labor force.

Performance Measures:
Conduct outreach recruitment for positions in order to provide for equal employment opportunity for all groups in the labor force.

Job Announcements for the following classes were issued. A brief description of the outreach efforts for each class is included:

3232 Marina Assistant Manager (civil service)
Copies of the Job Announcement were mailed to the following sites and/or agencies:

- DHR posting at 44 Gough
- DHR website
- Port website
- City Department distribution
- Port's Outreach Mailing List

- West Coast Ports Mailing List
- Harbor Masters Association posting
- Harbor District mailing list
- Coast Guard 11th District Personnel Office posting
- California Fish & Game Agency – local personnel office posting

Advertisements were placed in the following publications:

- *Jobs Available*
- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*
- *Latitude 38*
- *The Log*

5283 Planner V (provisional)

Copies of the Job Announcement were mailed to the following sites and/or agencies:

- DHR posting at 44 Gough
- DHR website
- Port website
- City Department distribution
- Port's Outreach mailing list
- West Coast Ports mailing list
- American Institute of Architects (AIA)
- SF Urban Research (SPUR)
- National Black Public Administrators Association job hotline
- Local Black Public Administrators Association job hotline
- UC-Berkeley Career Placement Center
- Fisher Center for Real Estate & Urban Economics
- Walter A. Haas School of Business
- San Jose State University Career Center – posting for alumni
- San Jose State University Department of Urban Planning – posting for alumni

Advertisements were placed in the following publications:

- *Jobs Available*
- *Asian Week)*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*
- *San Francisco Chronicle*

6333 Senior Building Inspector (provisional)

Because the minimum requirements are that candidates have two years experience as a Building Inspector in a public agency at a level equal to the City's Class 6331 Building Inspector, recruitment targets were not as widespread as for other selections.

Copies of the Job Announcement were mailed to the following sites and/or agencies:

- DHR posting at 44 Gough
- DHR website
- Port website
- City Department distribution
- Port's Outreach Mailing List

Advertisements were placed in the following publications:

- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*

7376 Sheet Metal Worker (provisional)

Copies of the Job Announcement were mailed to the following sites and/or agencies:

- DHR posting at 44 Gough
- DHR website
- Port website
- City Department distribution
- Port's Outreach Mailing List

Advertisements were placed in the following publications:

- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*
- *San Francisco Chronicle*
- *San Jose Mercury*
- *Spanish and Vietnamese Language newspapers in Santa Clara (names)*

In addition staff worked closely with business agents of the Sheet Metal Workers' Union Local 104 in San Francisco and the Peninsula.

9382 Government and Public Affairs Manager (civil service announcement)

Copies of the Job Announcement were mailed to the following sites and/or agencies:

- DHR posting at 44 Gough
- DHR website
- Port website

- City Department distribution
- Port's Outreach Mailing List

Advertisements were placed in the following publications:
- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*

9385 General Services Officer, Port (temporary exempt, part-time, as needed)
This position would be on call as needed to provide assistance in parking meter collections to one of the two General Services Officers when the other is on vacation or sick leave. It is intended that the position would be for 3-4 hours per day, when needed. Shifts would begin at 5:00 AM.

Copies of the Job Announcement were mailed to the following sites and/or agencies:
- DHR posting at 44 Gough
- DHR website
- Port website
- City Department distribution
- Port's Outreach Mailing List
- City College of San Francisco
- San Francisco State University
- University of San Francisco
- Retired City Employees' Organization

Advertisements were placed in the following publications:
- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*

7215 General Laborer Supervisor (Provisional)
This position will be funded through a work order from the Department of Public Works to provide street cleaning assistance on sidewalks adjacent to the Fisherman's Wharf area. The Port will employ the supervisor and the staff will be provided by the Department of Public Works, either with their own staff or with employees of a non-profit or other governmental agency.

Copies of the Job Announcement were mailed to the following sites and/or agencies:
- DHR posting at 44 Gough
- DHR website
- Port website

- City Department distribution
- Port's Outreach Mailing List

Advertisements were placed in the following publications:

- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*

Objective: To support directors and other managers by facilitating valid classification changes when needed.

Performance Measures:
Complete and send to the Department of Human Resources all classification documentation for new and reclassified positions for FY 2002-03 by April 15, 2002.

The Engineering Department has requested reclassification of a new Associate Engineer that they would prefer to fill at a Junior Engineer level. Human Resources staff reviewed the Job Analysis Questionnaire and forwarded it to DHR. Approval of the request would provide the Port with an opportunity for greater outreach as Junior Engineers are typically recent college graduates and would provide a career path for a new employee. Junior Engineers, after one year, can be advanced to Assistant Engineer if they meet certain criteria set by DHR.

The budget process for Fiscal Year 2002-03 has not yet begun. It is anticipated that major work on this objective will occur in the third quarter of the Fiscal Year and will be completed early in the fourth quarter.

Objective: To provide staff career development programs and training that will improve staff effectiveness and morale.

Performance Measures:

1. **Provide training for new Port employees in Customer Service, Prevention of Harassment, Prevention of Violence in the Workplace, Communication, Diversity and Equal Employment Opportunity.**
2. **Provide technical, management and other job-related training to Port employees utilizing available resources and funds.**

Thirty-five employees were trained in a newly developed Harassment Prevention Seminar on August 28 and September 11. The September 11 class was cut short because of the events in New York. Employees who attended were given credit for the class, and were asked to read over the remaining portion, which describes the procedures for filing complaints.

Staff is working with the same consultant who provided the Harassment Prevention Program to develop training in Communication, Diversity and Equal Employment Opportunity. Training is expected to be provided in the third quarter of the current fiscal year.

Training in Customer Service and Prevention of Violence in the Workplace for employees who missed earlier sessions will be done by Port staff in the third or fourth quarter of this fiscal year.

One full five-week training program in Team Effectiveness was provided for 26 managers and employees beginning July 31, 2001. Another five-week session is scheduled to begin in October.

Employees participated in training provided by outside vendors in the following subjects:

- Project Management
- Microsoft Office Products
- Accounts Payable
- Desktop Publishing
- Citrix Mainframe Operations
- Employee Relations

Objective: To provide written personnel policies and procedures for Port staff.

Performance Measures:
Update the Personnel Policy and Procedures Manual as needed.

Personnel Policy and Procedures Manual Revision #2 was issued on September 17, 2001. It contained revisions the following sections:

Introduction to the Port of San Francisco
Drug and Alcohol Free Workplace
Harassment Free Workplace
Performance Appraisal
Use of Port Vehicles
A new policy was introduced related to Cellular Telephone Usage.

Objective: To support directors and other managers in recruiting for and testing applicants in a timely manner to fill positions.

Performance Measures:

1. **Implement and complete or modify the examination plan for FY 01-02.**
2. **Develop and examination plan by June 30, 2002 based on Port needs and new positions approved in the 2002-03 budget.**

1. The Examination Plan developed in May 2001 provided that the Port would initiate or complete the following examinations in Fiscal Year 2001-02. The status of the examination process for each class is noted on the right.

5305 Material Testing Technician	Exam scheduled for the fourth quarter.
9330 Pileworker	List adopted 7/01
9331 Piledriver Engine Operator	Exam scheduled for October
7395 Ornamental Iron Worker	To be announced in October.
5620 Regulatory Specialist	To be announced in October.
9382 Government & Public Affairs Mgr.	Announced 9/14/01.

Additional examinations will be held depending on vacancies and management requests.

2. Since the budget process has not advanced to the extent of identifying new positions for Fiscal Year 2002-03, it is premature to begin this process. I anticipate that this objective will be completed in the fourth quarter of this fiscal year.

II. ENVIRONMENTAL, HEALTH & SAFETY

Objective: Increase supervisor accountability for employee health and safety by providing additional training and tools. Incorporate employee safety into supervisors' and managers' performance standards.

Performance Measures: Reduce incident (accident) and severity rates from 2000-2001 levels.

Performance Standards. Supplied suggested language to Maintenance Division for incorporation into supervisors' and managers' performance standards.

Employee Training. EH&S staff provided select Port maintenance employees with blood-borne pathogen training, and hearing conservation training. EH&S staff also coordinated first aid/CPR training.

EH&S staff continued to prepare the monthly Supervisor's Health & Safety Workbook ("Redbooks") for Port Maintenance supervisors. The Redbooks provide a timely and standardized means of disseminating health and safety information to maintenance personnel, and aids supervisors in providing and documenting Cal/OSHA mandated biweekly "tailgate" safety talks required for construction industries and crafts. Tailgate safety talk outlines provided last quarter include:

- New Forklift Attachments
- Dust
- Hydraulic, Pneumatic & Liquid Fuel Tools
- Personal Flotation Devices
- Block It, Lock It
- Shoe Review

- Machine Guarding

Objective: Characterize Maintenance employees' exposures to noise hazards and reduce exposure through training and other measures.

Performance Measures: Complete noise exposure characterization of all Maintenance shops. Complete hearing conservation training for 80% of Maintenance employees.

EH&S staff held seven hearing protection training classes that included approximately 30 Maintenance employees.

Staff conducted noise surveys at 15 out of 17 of Maintenance's shops at Pier 50.

Objective: Improve tenants' compliance with storm water regulations.

Performance Measures: Identify all storm water dischargers and ensure 80% permitting and participation in valid group monitoring program.

Port-wide Wastewater and Storm Water Management Program. In October 2000, the Regional Water Quality Control Board issued a "request for technical documents" requiring the Port to identify and control wastewater and storm water discharges from Port property. During the 3rd Quarter 2001, EH&S staff completed all work required and met all deadlines specified by the RWQCB order. Inspection, tenant education, evaluation of feasible engineering solutions, and ongoing reporting continued. Group monitoring alternatives were developed in conjunction with tenants; nearly all regulated tenants had joined a monitoring group by the end of the quarter. Outreach to remaining tenants is continuing.

Objective: Reduce costs for management of dredged material.

Performance Measures: Reduce dredging costs per unit volume from FY2000/2001 by developing appropriate standards, identifying cost-effective disposal options, or other measures.

Dredging. Work with Engineering in developing improved specifications for the Port's dredging contract resulted in a bid approved during the quarter that will provide the Port with dredging services at units costs varying from 10% to 40% lower than the previous contract.

Continued to follow developments for alternative upland disposal sites for dredged material. Both Mare Island and the Montezuma Wetlands projects moved forward in the permitting process.

Testing for maintenance dredging required for the year was completed. Applications for dredging permits were submitted to the Army Corps, BCDC, and the Regional Water Board. All permits were received by October 10. Dredging will begin no earlier than October 29.

Other Activities and Accomplishments

Emergency Operations Plan. The tragic events of September 11 provided the Port with a situation requiring the full implementation of its Emergency Operations Plan. The implementation was judged to be a success overall, and the subsequent "lessons-learned" discussion and memo provided a blueprint for improvements and additions.

Lead and Asbestos. Trained and monitored Port roofers while removing lead contaminated gravel on the Pier 38 roof. Workers were taught how to properly remove and dispose of contaminated gravel. Monitoring was conducted and no measurable exposures to lead were found.

Loose and peeling lead containing paint was removed from the Administration Building at Pier 50. The building was primed and painted by Port painters.

Asbestos and lead was removed from the ISI office space at Pier 26 to facilitate the remodel of the property.

Loose and peeling paint was removed from Pier 9 roll-up doors. The bulkhead was sampled for lead paint and bids were solicited for the removal of loose and peeling lead paint.

Paint samples were taken at Pier 35 and were found to contain lead. Estimates to remove the loose and peeling paint were solicited.

Pier 34 Demolition. Secured permits from the Army Corps of Engineers, BCDC, and the Regional Board for the demolition of Pier 34. Demolition work was completed.

Potrero Power Plant. Continued to provide input and support to Legal, Planning, and Mayor's Office regarding review of documents related to the repowering of the Potrero Power Plant.

Hyde St. Harbor. Continued working with Engineering and Maritime to address remaining engineering, construction, and operational needs for Hyde Street Harbor. Initiated sampling and pump-out program for bilge water treatment system.

Fisherman's Wharf EQAC. Continued monthly EQAC meetings. Continued twice-monthly water quality sampling at Fisherman's Wharf.

Used Oil Collection. Collection continues at the China Basin and Fisherman's Wharf oil sheds. In the third quarter of this year, over 1,800 gallons of used oil were recycled, continuing the trend of increased used oil collection each quarter. With the re-opening of the fuel dock, a new waste oil recovery system began operation, replacing the oil shed at Wharf J-10, which was shut down.

III. GOVERNMENT AFFAIRS

Taline Sanassarian will be starting on October 29th as the new Governmental Affairs Manager.

IV. COMMUNICATIONS

A. PUBLIC RELATIONS

Goal: To create positive image of the Port and increase public awareness of maritime activities and major waterfront projects.

During the third quarter of 2001, the Port received publicity in approximately 35 articles in local newspapers and maritime trade publications. News coverage on Port related activities included the Piers 27-31 project, Pier 70 project, San Francisco Ferry Terminal Project, Construction Projects Bring Steel to Pier 80, New Boating Regulations at McCovey Cove/China Basin, Cycling Grand Prix on the waterfront, Harry Bridges 100th Anniversary, Waterfront Security, Decline in Tourism at Fisherman's Wharf/Pier 39, Pier 1 Restoration Project, Skateboard Park at Pier 24, Hyde Street Pier, State legislation on Bryant Street Pier Project, Heron's Head Park, July 4th celebration on the waterfront, and Salmon fishing.

The Port received media coverage on KCBS and KGO radio stations, and local television stations Channels 2,4,5, 7, and 20. In addition, articles appeared in the San Francisco Examiner, San Francisco Chronicle, San Francisco Business Times, San Jose Mercury News, Pacific Shipper, Organized Labor, SF Independent, SF Bay Guardian, and The Fisherman's News.

The Communications Department issued five (5) press releases and two (2) media advisories to the press; and issued two (2) sets of press clippings to Port Commissioners, staff and Mayor's office and members of the Board of Supervisors.

Goal: To build strong relationships with key media contacts, political constituents, Port tenants, cruise lines, community organizations and other targeted audiences.

Held meetings with Laurie Armstrong, San Francisco Convention & Visitors Bureau, Jenny Strasburg, SF Chronicle, Bobby Winston, Bay Crossings, Alison Healy, Tall Ships 2002, John Rhine, SF Business Times, Rodney Fong and Tom Creedon, Fisherman's Wharf Merchants Association, Jeanette Caito, Caito's Fisheries.

Scheduled Port tours and meetings with Alan Sandler, Architectural Foundation and Judy Eng, McCall Design.

Strategies:
Target key lines of business of promotion through public relations roundtable of tenants.
Plan and implement media advocacy activities to advance the Port's public policy.
Generate positive publicity and communicate key messages through marketing promotions, article placements, newsletters, annual reports and the Port's web site.

Program Objective: Produce Monthly Employee Newsletter
Timely produced and disseminated three (3) employee newsletters: July, August and September.

Program Objective: Produce the Port's Annual Report.
Set up a cross-divisional team and collected major accomplishments for the Port's 2001 annual report. Updated photographs of the Port Commissioners and Executive staff for the annual report.

Program Objective: Improve the Port's Web Site by creating a more exciting, informative and interactive web page.

Updated news and special events sections of the Port's web site.

Program Objective: Develop marketing kit to inform, engage and gain public support of Port activities.

Worked with graphic designer and Maritime Division to finalize new Port marketing folder.

Public Record Requests
Responded to approximately 20 public records requests from the press and/or public for Port documents pertaining to tenant leases, Port Commission meeting records, Piers 27-31, the Bryant Street Pier Project, Pier 70, SF Ferry Terminal Project, Broadway Hotel, Pacific Marine Yachts lease, Pier 9 construction and Pier 80.

Employee Events
Leading a cross-divisional team in coordinating the Port's annual holiday luncheon and employee meeting. Secured the location and date for the holiday lunch/meeting which will be held December 14, 2001.

B. INFORMATION SYSTEMS

Goal: To provide information systems that meet the business needs of the Port.

Business applications projects are underway that are deemed to be advantageous to this business goal. Specifically, active applications projects include Property Management & Billing, Facility Maintenance Management, and Facility Cost Accounting. During the quarter, the IS Group supported the SF Grand Prix bicycle race—commendation letter was received from SF Chief of Police. It also supported the September 11th declared emergency situation at Pier 1

Goal: To provide support services to all divisions of the Port in a cost effective and timely manner.

Annual IS Questionnaire returns indicate that the IS Group service/support levels are increasing each year for the past three years. Overall level of support is indicated to be in the good-to-excellent range

Strategy: Implement the Information Systems Strategic Plan.

Work plans for each section (see below) are based to a large degree on the goals and objectives that have been documented in the Information Systems Strategic Plan.

Strategy: Prepare work plans for each section and review with managers.

Each section has maintained an up-to-date work plan. These work plans are reviewed with managers and employees on a quarterly basis.

Objective: System downtime: Port-specific systems (desktop applications, data, and financial systems) will be accessible at least 98% of the time during normal business hours (8:00 a.m. to 5:30 p.m.)

The Port IS Network downtime is minimal. During this reporting period, the network has been operational in excess of 99% of the time.

Objective: Service and support calls will be acknowledged no later than one (1) hour from receipt of the request or notice

Virtually all service calls have been received in less than one hour. In the majority of cases, service calls have been handled on a "real time" basis.

Objective: Design, develop, test, and implement Property Management and Billing System

Progress made on this project during the quarter is as follows:

— UNIX modifications made to support PROPworks software
— New Maritime module installed in production and test environments
— Completed large number of configuration and training workshops
— Completed user documentation and training for data entry
Completed approximately 30% of data entry for agreements

Objectives: Design, develop, test, and implement Facility Maintenance Management System

Progress made on this project during the quarter is as follows:
— Completed legal boilerplate for Wonderware Corporation contract (with assistance from City Attorney)
— Conducted several iterations of revisions to proposed Statement of Work (SOW)
— Completed Business Process Maps for major processes in Maintenance
— Completed clean-up of vehicle and equipment data
— Completed pre-assessment questionnaire in preparation for project start
Completed five team training sessions with teambuilding consultant

Objective: Upgrade Lotus Notes System to current release level V5.0 by July 31, 2001

Due to the advent of the Citywide E-Mail project, this objective has been put on hold until it is known exactly when the Port will be cut over to the Citywide System

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Objective: Implement a Port Information Systems Disaster Recovery Plan by January 1, 2002

A five-year agreement was signed with IBM as a disaster recovery site. A project is underway to produce a comprehensive recovery plan and procedures for the Port IS network. Additional disaster recovery equipment is planned to be purchased and installed later in the fiscal year.

Objective: Implement various systems and network enhancements by January 1, 2002

Systems & Network Infrastructure improvements during the quarter include the following:
— Implemented WinZIP v8.0 software product
— Created new Oracle UNIX file system for PROPworks production database
— Connected all data switches to Uninterruptible Power Supply (UPS) units
— Installed flatbed scanner for Engineering
— Installed CD/ROM burner for Engineering
— Upgraded Anacomp online report viewing software for Accounting
— Updated computer virus detection software

— Installed Transview software for Maritime ship tracking
Completed testing for Macintosh/Citrix connection

Objective: Replace CD/ROM server

This project was eliminated from the work plan due to the lack of a current need for this equipment.

Objective: Replace and/or add workstations and printers on an as-needed basis.

Equipment installations during the quarter include the following:
— Installed 8 new workstations and flat screen monitors in IS training facility
— Replaced all remaining Windows '95 workstations (Port is now completely Windows NT)
— Configured five laptops for "loaner pool"
Installed new network laser printer in IS Business Applications area

Objective: Replace *Golden Gate* SMTP server and *Atlantis* Lotus Notes server with upgraded equipment

This project will be accomplished later in the fiscal year.

Objective: Implement a new Port website on the DTIS web server and enhance the site with new content and dynamic applications by January 1, 2002

The website was enhanced and moved to the DTIS web server earlier in the fiscal year

Objective: Migrate all Pier 50D applications to standard Port platforms by January 1, 2002

All applications that were required to be converted have been completed. An example of this was the Vehicle and Equipment Database which was converted from Paradox software to MS Access earlier in the fiscal year.

Objective: Reorganize IS Port Network elements by April 1, 2002

This project will be accomplished later in the fiscal year.

Objective: Perform analysis of Port Financial Systems by April 1, 2002

This project will be accomplished later in the fiscal year.

Objective: Analyze and replace timekeeping/payroll subsystem by June 30, 2002

This project will be accomplished later in the fiscal year

V. BUSINESS SERVICES

Objective: Process requisitions within two business days of request.

Since the phase-2 equipment budget has not been published, there has been very little activity in buying of new equipment and materials except for regular office supplies. And so we have been able to process requests within time frame and more efforts are put towards the closing of previous year's activities such as making sure that the end of year rush orders have been received and payments made on time.

Objective: Availability of Office Supplies – 95% of the time.

A small number of office supply items are kept in perpetual inventory and are available at all times but the majority of the requests are filled on a JIT (just-in–time) procedure. Supply requests are collected on Wednesdays and the order is delivered the next day, on Thursdays to requestor.

Objective: Complete job rotation training.

Cross training has been completed for three of the four positions in the section.

Objective: Process payments against purchase orders on term

This is on-going and efforts are consistently made to secure any discounts available by making payments on time.

General:

Staffing- In response to the FBI alert on 10/12/01, in-service training has been provided by the safety group to employees who are most likely to open mail as part of their regular duty and anyone else who requested it. Hand gloves were also made available in the mailroom for anyone who wants one. In addition to the training, many agencies including the CHP have developed protocols for identifying and handling suspicious packages and they have been made available to staff as well.

Facilities- A final list has been developed by Mary Ilyin for the furniture vendor (OP Contract) to deliver the balance of furniture and accessories and complete all installations. Tentatively, the date for completion of installations is November 9th, 2001. The vendor will continue to maintain equipment until warranties expire, but meanwhile Port carpenters will train on how to service the equipment when the warranty expires.

Nic Dempsey has been requested to take the lead in regards to the new directory for the lobby, signage for the public restrooms, sunshades and carpet for the wood floors as Mary Ilyin is leaving.

Work is continuing on the audio/visual system and even though the system performed better at the last meeting, the vendor proposes to replace the loud speakers in order to enhance sound in the room and also complete the cable runs to enable setup in the event of an overflow at the commission meeting.

Budgets: As of September 30, 2001 there has been minimal activity in the section budget, the expenditure variance report shows close to 100% variance in all categories.

VI. ACCOUNTING

Goal: To provide accurate and timely financial reports.

Financial statement reports have been prepared timely in accordance with established schedule and performance standards. Independent auditors are examining FY2001 financial statements as of June 30, 2001 and for the year then ended. The audit is the "acid test" for accuracy. Adjustments posted or pending pertain to (1) items controlled by the City; and (2) certain open issues which Port has consulted with Hood & Strong as to acceptable or preferable accounting treatment.

Goal: To provide support services to all divisions of the Port in a cost effective and timely manner.

We continue to provide responsive customer service. Divisions appear to have adapted to new accounting section supervisors (resulted from re-organization implemented in the last year.

Goal: To support the development of financial systems applications.

John Woo is an active member of the PROPworks (lease management and billing system) implementation team working with Real Estate, Maritime, IS and DST consultants on software configuration issues for the last six months. Key subject matter experts within the accounting group have also worked on other open IS projects: (1) Facility Cost Accounting and Reporting; and (2) Facility Maintenance Management System.

Goal: To provide financial analysis support for Port projects.

Finance section provides the primary support for prospective projects and/or negotiations. Accounting maintains the cost accounting records and provides regular reports for those projects that are in progress.

Strategy: Document accounting policies, procedures, and reconciliation necessary to ensure accurate and timely financial reporting.

No new accounting policy or procedure was issued during this last quarter.

Billing procedures will need to be revised and updated with the implementation of PROPworks next quarter.

Strategy: Prepare work plans for each section and review with managers.

Work plans and performance standards were reviewed and updated in July for all staff.

Objective: To complete accurate monthly financial statements by the 20th of the following month.

Regular monthly financial reporting deadlines are suspended during the first quarter of the fiscal year since the June books are held open for an extended closing period and year-end audit. Preliminary financial information is reviewed for July and August in the interim, principally to make sure that revenue information is intact. Finalized reports through September 30 is ordinarily issued by October 20 and the monthly reporting cycle resumes.

Objective: To report budgetary status of all capital projects monthly by the fifth business day following the end of the month.

Regular monthly financial reporting deadlines are suspended during the first quarter of the fiscal year since the June books are held open for an extended closing period and year-end audit. This report process resumed in September after the City completed the budget process and related interfaces to the FAMIS financial system.

Objective: To process approved and coded invoices for payment within three business days of receipt.

Completed virtually 100% of the time for documents that are "properly approved and coded." ("Process" means to complete Port accounting review and enter payment request into the City system. Additional City process is required in some instances.)

Objective: To resolve all audit management letter comments by June 2002.

The two comments from last year's audit have been responded to and implementation actions are in progress. The auditors recently submitted their current interim management letter report (dated July 11. 2001) to the Audit, Labor and Government Efficiency Committee. The letter reports only the current status of prior recommendations and contains no new recommendations as the result of their preliminary audit work.

VII. FINANCE

Objective: To compile and produce an annual Port budget per the budget schedule.

Members of Finance attended the Board of Supervisors Budget hearings on July 16th and 23rd. Answered questions posed by members of the Board Supervisor, and the Port's Chief of Operations and Executive Director, and generally provided support needed to obtain passage of the Port's FY 01/02 budget.

Upon approval by the Board of Supervisors and signature by the Mayor, prepared the Port's final FY 01/02 budget and distributed copies to Port Commissioners, senior management, department analysts and other Port staff.

By September 10th, Finance had prepared and distributed the new budget schedule for FY 02/03 to senior management and other Port staff.

Objective: To complete budget analysis variance analysis and projections quarterly by the 16th of the second month following the end of the quarter.

Performance Measures: Date that the budget analysis variance analysis and projections were completed.

The first quarter of FY 01/02 has not ended, and the budget analysis variance and projection is not yet due. It is anticipated that this report will be completed by November 16th as indicated.

Objective: To complete financial statement variance analysis and projections quarterly by the 30th of the second month following the end of the quarter.

Performance Measures: Date that the financial analysis variance analysis and projections were completed.

The first quarter of FY 01/02 has not ended, and the budget analysis variance and projection is not yet due. It is anticipated that this report will be completed by November 30th as indicated.

Objective: Compile and produce annual capital plan for approval by the Port Commission by February 28, 2002.

Performance Measures: Capital Plan completed by February for Port Commission approval.

Upon approval by the Board of Supervisors and signature by the Mayor, prepared the Port's final FY 01/02 capital plan booklet and distributed copies to Port Commissioners, senior management, department analysts and other Port staff.

By September 10th, Finance had prepared a memo for senior management informing them of the tentative schedule for the meeting of the Capital Planning committee to discuss the FY 2002/03 Capital Plan. The memo included a request for Divisions to submit their capital plan requests by October 12th.

As part of the FY 2002/02 Capital Plan cycle all of the capital plan forms were updated, and completely revised to allow for on-line completion. This was done for both each of use by the departments and to provide the Finance Department more control over data entry. The latter was done in an effort to reduce the amount of missing information and errors on the completed forms.

It is anticipated that the Capital Plan will be ready for Port Commission approval by the end of February.

Objective: To produce and deliver a comprehensive update of the Port's economic impact report by June 29, 2002.

Performance Measures: Date the economic impact report is updated.

Finance plans to hire the firm of Martin and Associates to do the update. This was the same firm that prepared the economic impact report. Anticipate preparing a contract during the latter part of the second quarter, or the early part of the third quarter. Expect to complete this objective by the end of FY 01/02.

Other activities and accomplishments

In addition to the above goals and objectives, the Finance Department has worked to assist the Port's other divisions in their financial needs, and help them in accomplishing the Port's overall goals and objectives. Significant activities in this area include:

- Worked with the City Attorney and Planning and Development staff on the Pier 30/32 legislation which was recently passed by the legislature in Sacramento. The department provided financial information and other assistance needed for this effort. The efforts of the Acting Finance Manager along with several other Port and City Attorney staff were specifically acknowledged by the Director of Planning and Development at the Port Commission's September 25th meeting during his presentation of the staff's request for Commission approval expressing their support of this legislation.

- Worked closely with the City Attorney and Planning and Development staff on the Rincon Park Restaurant development. The Port has not signed the lease and development agreement with the developer, Nice Ventures, and is currently out of contract with the company. Finance worked with the City Attorney and Planning and Development to explain the current status of the project, explain the risks of

entering into contract with the developer, and draft performance benchmarks and additional conditions aimed at minimizing the risk to the Port.

As a result of numerous meetings with the developer, and the hard work of the team members, including the Acting Finance Manager; the team was successful in obtaining Port Commission approval to grant some developer requested changes to the lease, and approval to sign the lease which will incorporate the new performance benchmarks and added conditions.

- Worked closely with Planning and Development staff and the Port's outside consultant on analyzing the responses to the Port's RFP's for the mixed use development, and the non-profit arts development at Pier 70. Reviewed and provided input for the staff report recommending the awarding of the rights of exclusive negotiation.

- Worked to find available funds to pay for outside consultants working for the Port's Planning and Development department on the Piers 30/32 and 27/31 developments. Funds were needed after the original source of funding was put on reserve by the Board of Supervisors.

- Worked with the Port's Chief Harbor Engineer and members of the Port's Engineering department regarding funding for the Downtown Ferry Terminal. Also worked with the Chief Harbor Engineer and other Port staff regarding the issue of rent credits to be provided to Ferry Building Investors for work which they are currently doing for the Port in connection with the ferry terminal and the east promenade.

- Set up and participated in a meeting with the Directors of Maritime and Planning and Development to discuss the concerns of Supervisor Maxwell over the Port's proposed placement of RMC Lonestar at Pier 80, and the resulting placement on reserve of funds earmarked for pre-development studies.

- Acting Finance Manager was actively involved in the interdivisional teams established to develop the Pier 45 Shed C fish processing facility, and the Pier 52 boat ramp project.

- Contacted the insurance adjuster assigned to the Port's Pier 43 arch fire claim. Worked with the adjuster to understand what the adjuster has recommended to the insurance carrier as acceptable for reimbursement. As a result of working directly with the adjuster:
  - The Port will shortly receive a Proof of Loss claim which will expedite the Port's receipt of an additional $350,000 payment toward the settlement of the claim.
  - The Port will receive materials which the Account Department needs to document the insurance adjuster's acceptance of the Port's costs of repair.

PORT OF SAN FRANCISCO

MEMORANDUM

October 18, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Second Amendment to the Non-Exclusive Management Agreement with Marine Terminal Corporation for Pier 80

DIRECTOR'S RECOMMENDATION: APPROVE THE SECOND AMENDMENT TO THE NON-EXCLUSIVE MANAGEMENT AGREEMENT WITH MARINE TERMINALS CORPORATION FOR PIER 80.

BACKGROUND

The Port entered into a five-year Nonexclusive Management Agreement with Marine Terminals Corporation on December 18, 1997. Under the terms of the Agreement, Marine Terminals Corporation ("MTC") operates the Port's Omni Terminal at Pier 80. Cargo operations at Pier 80 involve both container and breakbulk cargoes.

The Port and Marine Terminals first amended the terms of this agreement in March of 2000 to allow the use by third parties of portions of the premises and to adjust crane rent compensation.

Since the beginning of this agreement, the Port and Marine Terminals have been successful in revitalizing cargo operations at the Port. In 2000 the Port and MTC moved 50,000 containers at Pier 80 making the Port the fourth largest general cargo Port in California. Financially, the Port has made upwards of $2 million dollars net from the agreement with MTC at Pier 80 since its inception in 1998.

This Print Covers Calendar Item No. 9A

The year 2001, as envisioned, saw new commercial challenges to the Pier 80 operation. New terminal capacity coming online and aggressive pricing from other ports in addition to further consolidation in the shipping industry and reduced containerized cargo volumes worldwide have negatively impacted containerized cargo volumes in 2001. Overall cargo tonnage at the Port will remain steady as compared to 2000 based on the recent opening of Hanson Pacific Materials bulk terminal at Pier 94. However reduced container volumes at Pier 80 have caused the Port and Marine Terminals Corporation staff to assess strategies for the future operation at Pier 80.

NEW MARKETING FOCUS

Port and MTC staff's have decided to enlarge the marketing focus for Pier 80 to include more "project" cargo as well as break-bulk cargoes and smaller container lines. The Port of Oakland appears to now be focusing only on container operations and has announced the impending closure of their only breakbulk cargo terminal. Marine Terminals and the Port feel that this will provide an opportunity for the Pier 80 operation.

This strategy shift is in concert with the consultants recommendations of the Maritime Industrial Plan and has been approved by the Maritime Commerce Advisory Committee.

Our current agreement is no longer compensatory for MTC based on the decline in container cargo volumes. Port staff and MTC have been working for several months to formulate an amendment to the original agreement that would reallocate revenues from the facility to cover net operating costs and allow the two parties to implement a new targeted marketing plan over the remaining sixteen months of our original marine terminal agreement.

PROPOSED TERMS OF SECOND AMENDMENT TO MARINE TERMINAL MANAGEMENT AGREEMENT

The terminal management agreement with MTC expires December 31, 2002. Under this agreement the Port and MTC share revenue earned at the facility from maritime cargo operations. However, with current cargo volumes, MTC's revenue split earned at the facility will no longer cover the facility's operating expenses.

The proposed second amendment details a formula where all revenue earned at the facility will be invoiced and collected by the Port. MTC will on a monthly basis supply to the Port a statement of revenues and operating costs. The Port will pay MTC the greater of 50% of Tariff Revenues collected by the Port and the difference between MTC's operating expenses and the gross revenues to the extent that MTC's operating expenses exceed their gross revenues. At current cargo volumes, it is expected that expenses will outpace revenues for the next year by approximately $500,000. These payments will be made to MTC to cover the cost of management, operation and marketing of Pier 80 and include a 10% management fee.

AUDIT AND CONTROL

The Port and MTC shall meet regularly to review revenue and expenses generated at the facility. The Port or our auditors have the right to examine records of MTC to determine the accuracy of MTC's revenues/costs at Pier 80. The Port has the ability to terminate this amended agreement if MTC's expenses exceed the amount the Port has budgeted.

The Port shall also invoice and collect all tariff and secondary revenues earned at the facility. MTC shall only be entitled to stevedore and terminal fees charged to users of the terminal.

In no event will the Port's cumulative payments of the MTC's share exceed the cumulative Port gross revenue collected during the term of the agreement.

CONCLUSION

This proposed amendment would allow the Port and MTC to implement a new targeted marketing campaign for the remaining sixteen months of our agreement. Both parties feel that while current market conditions and cargo volumes are limited, the year 2002 will offer new opportunities that will ultimately allow the Port to increase cargo volumes and revenues.

Staff recommends approval of the Second Amendment with MTC, a copy of which is on file with the Commission Secretary.

Prepared by: Peter Dailey, Director of Maritime

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-82

WHEREAS, Charter Section B 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section B 3.581 (g) leases and franchises granted or made by under the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and,

WHEREAS, the Port entered a five-year Nonexclusive Management Agreement with Marine Terminal Agreement with Marine Terminal Corporation for the operating of Pier 80 on December 17th, 1997; and

WHEREAS, the Port and amended the agreement in March 14th, 2000; and

WHEREAS, Port and Marine Terminals Corporation now wish to amend the Nonexclusive Management Agreement to address the financial terms of the agreement pertaining to division of revenues generated at Pier 80 in relation to operating expenses in accordance with the terms of the original terminal management agreement, now, therefore, be it

RESOLVED, The San Francisco Port Commission hereby authorizes the Executive Director to approve this Second Amendment to the Nonexclusive Management Agreement with Marine Terminals Corporation on terms set forth in the memorandum for this item, and to execute documents effecting said Amendment on behalf of the Port, in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 23, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

October 18, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Engineering & Maintenance Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

The Engineering & Maintenance Division is responsible for the design, construction management and construction of all Port sponsored facilities maintenance and capital projects..

Attached are Project Summary Sheets for each of the Port sponsored facilities maintenance and capital projects currently underway by Engineering & Maintenance Division staff. This report is intended to provide you with a brief status report on the Division's activities.

Prepared by: Alexander K. Lee, Director of Facilities and Operations

This Print Covers Calendar Item No. **10A**

FISHERMAN'S WHARF SEAWALL REPAIR

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	Repair for deteriorated section of seawall per Declaration dated July 30, 1998. Tasks include performing a condition survey of the seawall (approximately 50' in length), designing a repair scheme and executing repair construction.
STATUS	Project design is complete. Staff is currently preparing Project Manual. Construction bidding will follow shortly.
APPROVALS	With respect to BCDC submittal, Port Planning considers project 'maintenance.'
PROJECT COST	Estimated cost of project is $300,000. Port capital fund contribution is over $300,000.
CONSULTANT	Olivia Chen Consultants
Schedule Milestones	Winter, 2001 — Advertise for Construction Spring, 2002 — Construction Commences Fall, 2002 — Construction Complete

MAINTENANCE DREDGING

PROJECT MANAGER	Ed Byrne
PROJECT ENGINEER	Ken Chu
CONSTRUCTION MANAGER	Leo Bragagnolo
PROJECT DESCRIPTION	The Port's Maintenance dredging for 2001-2002 has been awarded to Dutra Dredging. The potential dredging sites include Pier 35, East and West berths, Piers 27, 45, 80, 92 and the Fisherman's Wharf Harbor.
STATUS	The Notice to Proceed with the first dredging episode at Pier 35 East has been sent to Dutra. Dredging is scheduled to begin at this site on October 29th.
APPROVALS	Port staff submits permit applications to BCDC, the Army Corp of Engineers, and the Regional Water Quality Control Board for each dredging site for each dredging episode. Obtaining these permits and authorization to proceed in a timely fashion from these agencies for the dredging to occur on schedule has been a considerable challenge to Port Staff.
PROJECT COST	Dredging cost for the Summer/Fall of 2001 is currently estimated to be $2.5 million.
CONSULTANT	None
SCHEDULE MILESTONES	Fall 2001: Maintenance dredging at Pier 35 East. Fall 2002: Maintenance dredging at Pier 35 E & W, Piers 27, 45, 80, 92 and Fisherman's Wharf Harbor (funding permitting)

PIER 1-1/2 TO 5 MARGINAL WHARF REPAIR

PROJECT ENGINEER	Ed Byrne
CONSTRUCTION MANAGER	Lloyd Soohoo, Camp Dresser & McKee
DESCRIPTION	This work is limited to the repair of the first bay of marginal wharf adjacent to the seawall from Pier 1 ½ to the south wall of the Pier 5 bulkhead. Through two change orders, the scope of repair work was expanded to include the full three bays of depth at Pier 3. The scope was expanded to maintain required public access through the Pier 3 breezeway to the ferryboat *Santa Rosa*. The remainder of the marginal wharf repair will be done as part of a development project(s). Under a MOU with DPW, $738,871 will be funded from the Mid-Embarcadero Project for the marginal wharf repair work. Port will fund any additional repair costs above this amount and the architectural aspects of the work. Due to unforeseen conditions this project was reduced in scope to include only the Pier 3 main entrance and the Pier 3 Public Accessway repairs. The unforeseen conditions include additional pile deterioration and repair, and significantly increased beam repair over that shown on the original bid documents. This work is only a small portion of the overall marginal wharf repair for Piers 1 ½ to 5. The remainder of the marginal wharf repair will be done as part of a development project. The potential developer of this site has been made aware of these previously unknown substructure conditions which will affect improvements made at this facility.
STATUS	The repair at the Pier 3 main entrance is complete. Work is proceeding at the public access corridor on the north side of the Pier 3 bulkhead building.
PROJECT COST	$2,298,547
CONSULTANT	Structus Consulting Engineers
CONSTRUCTION CONTRACTOR	Power Engineering Inc.
SCHEDULE MILESTONES	Construction Complete: December 2001

PIER 48 SEISMIC UPGRADE

PROJECT MANAGER	Ed Byrne
PROJECT DESCRIPTION	The Port's Chief Building Official has determined that the November 1996 fire at Pier 48 destroyed a sufficient amount of the pier shed's structural components to trigger a San Francisco Building Code requirement for a seismic upgrade to the facility. Seismically upgrading this pier would include additional substructure piling and reinforcement designed specifically to resist earthquake loads as prescribed by Code requirements. The shed will also require seismic bracing and reinforcement.
STATUS	The insurance carriers are disputing the Port's position that a seismic upgrade is required. The carriers' believe that the sustained shed damage was less than the code prescribed limits and therefore an upgrade is not required. The Port is taking legal action to resolve this matter. Mediation with the carrier is in progress and a potential resolution has been proposed that would upgrade the Pier 48 structure. Mediation negotiations continue with a court date scheduled for early next year to resolve this dispute.
APPROVALS	BCDC permits classifying this work as maintenance have been received for this work. The permitting will need to be reviewed prior to construction.
PROJECT COST	Cost estimates for this work vary from $6.0 million to $8.5 million depending on the type of seismic bracing system installed.
CONSULTANT	Structus, GKO, Moffatt & Nichol, Treadwell & Rollo, Fratessa, Forbes, Wong
SCHEDULE MILESTONES	TBD

PIER 34 DEMOLITION

PROJECT ENGINEER	Ed Byrne
CONSTRUCTION MANAGER	Leo Bragagnolo
PROJECT DESCRIPTION	Demolish and dispose of Pier 34.
STATUS	This project has been completed. Pier 34 was removed and all debris sent to appropriate recycling companies or landfills.
PROJECT COST	Total project cost was $795,618.
SERVICE PROVIDER	Port Engineering developed the construction bid documents. Zaccor Companies was the prime contractor
SCHEDULE MILESTONES	Bids Due 11 April 01 Award May 01 NTP July 9, 01 Final Completion August 22, 01

PIER 43 ARCH RESTORATION

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	On July 14, 1998, the Port declared an emergency on the fire damage to the Pier 43 Arch. The arch restoration follows the emergency disassembly and shoring contract that is now complete. The arch restoration will be a competitively bid and will include the repair and restoration of the arch to its pre-fire condition, seismic upgrade and required structural repairs. Also the counterweights will be removed to reduce the earthquake loads acting on the structure. Insurance proceeds will fund the fire damage repair work and the Port will fund the required structural repairs.
STATUS	The Port's insurance company has agreed to fund the fire repair work which is the base bid work. Port capital funding will fund the seismic upgrade, structural repairs and removal of the counterweights to the extent that funds are available. These items are being bid as alternate bid items. The bids for this project were received on June 21, 2001. Valentine Corp. was the responsive low bidder.
PROJECT COST	Valentine Corp. was awarded the contract with its $1.1 million bid. This bid includes the cost of executing the base bid work and all of the alternate bid items, plus a 10% contingency.
CONSULTANT	Architectural Resources Group
SCHEDULE MILESTONES	Construction Start: Fall, 2001 Construction Complete: Spring, 2002

PIER 52/54 PUBLIC BOAT LAUNCH

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	The total project scope for the new Pier 52/54 Public Boat Launch includes a new pile-supported double lane boat launch ramp, two boarding floats, a disability access gangway and guest dock, a 40 space vehicle/boat trailer parking lot, and roadway and landscaping improvements throughout the Pier 52/54 site. In addition, outdoor public access and landscaping will be improved from its current condition.
STATUS	Bids were opened in December 1998. The lowest responsive bid was much more than available funding. Catellus expedited its development plans for Mission Bay. Catellus has changed the Terry Francois Blvd alignment that impacts the Pier 52/54 Parking Lot design. The realignment of TFB requires repositioning and re-design of the parking lot, changes to the boat launch and the addition of a Bayside Walk. The Port received an additional $1.023 million funding from Department of Boating and Waterways, State of California. Port signed contract modification with consultant to redesign the project for the amount of $209,593 in June 2001. The consultant submitted 50% design. A round-table meeting for comments from all Port's functional departments was held on September 2001. The 50% design was sent to Calboating for review.
APPROVALS	The Maher Ordinance study has been completed in June 1999.
PROJECT COST	The total funding available for this project is $2.7 million
CONSULTANT	ARCUS Architecture & Planning.
SCHEDULE MILESTONES	Amend Arcus agreement – April to June 2001 Detailed Engineering - June to October 2001 Construction Bid and Award – November 01 to February 02 Construction – March to September 2002

PIER 70 WHARF 5 DEMOLITION

PROJECT ENGINEER	Ken Chu
CONSTRUCTION MANAGER	Leo Bragagnolo
PROJECT DESCRIPTION	Demolish and dispose of Pier 70 Wharf 5.
STATUS	Suggested at Facilities Assessment Team meeting in August 2001, Port staff has conducted a field review and determined that Wharf 5 should be demolished ASAP. Staff is working with Planning on the BCDC permit, with the demolition credit applying to future project. Staff is working with Environmental to apply for Army Corps permit, and is working to obtain hazardous material information.
PROJECT COST	Construction cost estimate is $720,000.
SERVICE PROVIDER	Port Engineering developed the construction bid documents.
SCHEDULE MILESTONES	Advertise for Bids — end of October 01 Award — November 01 NTP — end of November 01 Construction Complete — January 02

PIERS 48 & 50 FIRE PROTECTION

PROJECT ENGINEER	Skip Zeller
CONSTRUCTION MANAGER	Leo Bragagnolo
PROJECT DESCRIPTION	Install a new 12" water main in Terry Francois Blvd. From 3rd Street to Mission Rock Street, install new fire sprinklers, alarms and controls in Pier 50 Shed A, and install new fire alarms and controls in Pier 50 Shed D.
STATUS	Project is currently in construction. Completion date is October 16, 2001.
PROJECT COST	Project cost is $887,642, including $35,000 for PUC inspection of the water main, so that it will be accepted by SFWD at completion.
SERVICE PROVIDERS	Port Engineering and UEB did the construction bid documents and Port is doing the project engineering, inspection, and contract management.
SCHEDULE MILESTONES	NOTICE TO PROCEED — MARCH 15, 2001 COMPLETE — OCTOBER 16, 2001

Pier 48 Interior Fire Damage Repair

Project Architect	Mansur Niufar
Construction Manager	Leo Bragagnolo
Project Description	Install a new sprinkler system throughout Pier 48, construct two new restrooms facilities (one in shed B and one in shed B), install new lighting and exits.
Status	Construction of this project is nearly complete. All utilities (sprinklers, sewer, water, lighting) have been tested and accepted by the Port. Some architectural items are still incomplete.
Project Cost	Project cost is $1,758,722 to date, the bulk of which is being paid for by the Port's insurance company.
Service Providers	Port Engineering oversaw preparation of the construction bid documents, and the Port is performing construction management and inspection.
Schedule Milestones	Notice to Proceed — March 15, 2001 Substantial Completion — October 2001

RASTERIZING ENGINEERING DRAWINGS

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	Convert existing engineering drawings into electronic format. This project includes the training of Port Staff in the use of software used for drawing retrieval, viewing, editing, and reproduction. Converting the existing drawings to electronic format enables Port staff to view the drawings on their computers, and eliminates the need to transfer drawings from their current location to the Port's new office in Pier 1.
STATUS	Purchase Order was advertised in August 1999. RPM Imaging was the successful bidder for this project. First drawing shipment was sent to RPM in October 99. About 8000 digitized drawings can now be reviewed from the Port's drawing database. A public viewing station was set up for public retrieval.
PROJECT COST	Total engineer's estimate is $150,000.
SERVICE PROVIDER	RPM Imaging.
SCHEDULE MILESTONES	September 13, 1999, Purchase Order was approved by City's Purchase Office. September 2001, drawing conversion completed. December 2001, drawing digitizing completed

DOWNTOWN FERRY TERMINAL

PROJECT MANAGER	Nieret Mizushima and Elizabeth Teien
DESCRIPTION	The Downtown Ferry Terminal project, funded with a combination Federal, State and Port resources, consists of two new world class ferry terminals, a protective breakwater, public access improvements, and improved signage. The new and renovated facilities will solve a number of challenges associated with scheduling arrivals and departures of numerous ferry operators, as well as provide increased opportunities for additional ferry runs or new ferry routes. Ferry operators currently using the facility and slated to share in the new facility include Blue and Gold Fleet, Red and White Fleet, Alameda-Oakland Ferry, and Harbor Bay Ferry.
STATUS	The Breakwater and the East Promenade has been completed. The completion of the floats for the north and south terminals was delayed due to problems with the superstructure coating system. The South Terminal was completed and opened in early October. The float for the North Terminal is scheduled to arrive on site in November and the North Terminal is anticipated to be complete and open for ferry passengers in Early December. The contractor is currently working on the North Marginal Wharf improvements. The overall project completion is anticipated in December 2001.
APPROVALS	No further approvals anticipated.
PROJECT COST	The current construction costs for this project are $16.9 million. Project is funded with a combination of federal, state and Port capital funds.
CONTRACTOR	Miller/Thompson Constructors – The construction firm is a woman-owned disadvantaged business enterprise (DBE) and successfully met the Federal DBE contracting goals.

SCHEDULE MILESTONES

January 2000	Issue Notice to Proceed (completed)
October 2001	Open new South Terminal
December 2001	Open new North Terminal, Remove Pier ½ Float
December 2001	Construction complete

ILLINOIS STREET BRIDGE

PROJECT MANAGER

Nieret Mizushima

PROJECT DESCRIPTION

A new bridge will be constructed across Islais Creek at Illinois Street. The bridge will be used by freight trains serving Pier 80 from the ICTF as well as local truck traffic. The bridge will significantly reduce rail distance from both the main line (from present 3.3 miles to 0.66 miles) as well as between the North and South Cargo Terminals (from 4 miles to 0.2 miles). Completion of this bridge will allow the freight rail service tracks to be eliminated in the Mission Bay Development area and will also result in fewer interface points between the future 3rd Street Light Rail and the freight rail. The bridge is proposed to be a lift-segment moveable type rather than a fixed type in order to accommodate occasional dredging and maintenance vessels in the Islais Creek waterway.

STATUS

The Commission approved the nonmaterial amendment to the Mission Bay Infrastructure Agreement that will allow for an additional contribution of $1.8 million from Catellus towards the bridge as well as the opportunity for them to deliver the design/build project completed to the Port in lieu of the freight rail relocation within Mission Bay. The Port is currently working with the community to incorporate their input into the project at this conceptual phase. Staff will need to seek further Commission authorization before proceeding with the detailed design and construction. The permitting process will be initiated during the next few months with further public input throughout.

PROJECT COST

The cost estimate for the project (as currently contemplated) is $11 million. Once the field investigations and the community input has been incorporated, the project costs will be reconsidered. With the additional funds secured from Catellus, the funding for the $11 million bridge is complete.

CONSULTANT

Catellus Design/Build Contractor

SCHEDULE MILESTONES

October through November 2001	Public input and due diligence by contractor
December 31, 2001	Deadline to elect Catellus delivery of project and additional fund contribution
March 2002	Complete permitting
Early 2003	Project complete

PORT OF SAN FRANCISCO

MEMORANDUM

October 18, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Planning & Development Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

Most of the Port's property consists of former public tidelands, which are held in public trust for the people of California. As trustee since 1969 pursuant to the Burton Act, the Port Commission is responsible for managing this property on a self-supporting basis to promote navigation, fisheries, maritime commerce, protect natural resources and develop recreational uses that attract people to enjoy the Bay and waterfront. The Port Commission's land use policies for all property under its jurisdiction are contained in the Waterfront Land Use Plan and its Waterfront Design & Access element ("Waterfront Plan"), approved in 1997, as amended. The Port has been working on a number of projects to implement this Waterfront Plan. These include additional community planning within specific sub-areas of the waterfront, as well as commercial development, maritime and open space / public access projects. The purpose of this report is to identify and provide an update on the status of the major projects underway which are managed by the Planning & Development Division.

THIS PRINT COVERS CALENDAR ITEM NO. 11A

MAJOR PLANNING PROJECTS

BCDC and Port Coordination

On July 20, 2000, the San Francisco Bay Conservation and Development Commission (BCDC) and Port Commission unanimously approved amendments to BCDC and Port plans for the San Francisco waterfront. This historic achievement was the result of four years of coordinated planning by BCDC, the Port, Save San Francisco Bay Association (Save the Bay), the San Francisco Planning Department, and the waterfront community. As a result, BCDC and Port plans now share objectives for creating major new public plazas, open water basins and public access improvements while providing more flexibility to carry out projects consistent with the Public Trust Doctrine for Port property located between Pier 35 and China Basin.

The amended BCDC and Port plans set forth a funding and implementation schedule to realize the removal of specified piers to create open water basins, and to develop two new plazas, one in the Northeast Waterfront subarea (the Northeast Wharf Plaza) and the other in the South Beach Waterfront subarea (the Brannan Street Wharf). The Port has completed the first step in this program in July 2001 with the removal of Pier 34, which is located next to the proposed Bryant Street Pier and cruise terminal project at Pier 30-32.

The removal of Pier 34 opens up a portion of the future site of the Brannan Street Wharf Plaza. To ensure a high quality of design for this new public plaza, the Port and BCDC selected a design consultant team led by Sasaki Associates to work with staff in a community planning process to develop a conceptual design. The Port and BCDC established the Brannan Street Wharf Citizens Advisory Committee, and is hosting a number of public workshops to solicit citizen ideas and participation. (For more details on this project, please refer to the Brannan Street Wharf status report attachment in this memorandum, under Item 9.) The Brannan Street Wharf Citizens Advisory Committee includes representatives of neighborhood, citywide and regional stakeholders, and the planning process is being conducted with ongoing coordination with Save the Bay, the San Francisco Redevelopment Agency, Planning Department, and Recreation and Park Department.

Historic Preservation Planning

The Waterfront Plan includes policies to preserve Port historic resources. As described in further detail later in this report, the Port has completed or is currently undertaking several important historic restoration projects: Pier 1 restoration; Ferry Building restoration; Piers 1½ - 3 - 5 restoration; Pier 43 Ferry Arch restoration; Piers 29-31 restoration; and the Pier 70 Development Opportunity Site, which includes restoration of historic Union Iron Works/Bethlehem Steel buildings.

Last year, the Port worked with historic preservation consultants and experts to gather and review the numerous surveys that have been completed for waterfront historic resources. This led to the Commission's approval of Resolution 00-16 on February 22, 2000, directing Port staff to prepare the materials necessary to nominate to the National Register of Historic

Places (National Register) a Northern Waterfront Maritime Historic District, located between Pier 45 and China Basin. The completion of this work was coordinated with the BCDC/Port/Save the Bay joint planning process to produce the BCDC plan amendments described above. Accordingly, in August 2001, the Port awarded a consultant contract to URS, Inc. to prepare a National Register nomination for Port Commission approval by June 2002 for the Northern Waterfront Maritime Historic District. To accompany this effort, Port staff will be developing design criteria to provide guidance in the rehabilitation of National Register listed historic resources which, following public review and comment, will be incorporated into the Waterfront Plan's Design & Access element.

Southern Waterfront Planning

At the direction of the Port Commission, the Southern Waterfront Advisory Committee (SWAC) was established to provide regular communication between the Port and the Southern Waterfront community. The SWAC, made up of representatives of neighborhood, maritime, environmental and labor interests, meets monthly and provides input and recommendations on land use, planning and environmental issues affecting generally that portion of the Southern Waterfront from the Western Pacific site to India Basin. All proposed Southern Waterfront leases are presented to the SWAC for review, comment and recommendation prior to being considered by the Port Commission for approval.

The Port has received several lease proposals for Pier 80, and Piers 90 through 96 in the Southern Waterfront. Many are for maritime industrial or other industrial activities north and south of Islais Creek. In addition, the Port is proposing projects to improve Port maritime operations, including the Illinois Street rail and truck bridge between the Port's North and South cargo terminals. A number of these proposed uses (e.g. concrete-batching plants, crushing and recycling, storage of aggregate for concrete operations) have raised environmental and public health concerns with the Bayview/Hunter's Point neighborhood. The proposed projects have been evaluated in a Final Supplemental EIR (SEIR) to the Waterfront Plan EIR, which was certified in February 2001. The SEIR includes a series of mitigation measures, which have or will be incorporated, as relevant, in any proposed leases considered for approval by the Port Commission. The Port Commission has emphasized its commitment to ensuring that all new leases incorporate state-of-the art mitigation measures. Towards that end, the Port has developed a dust mitigation-monitoring program. In addition the Port, working cooperatively with the Alliance for a Clean Waterfront, has hired a consultant team headed by Treadwell and Rollo and Fall Creek Engineering to develop a Southern Waterfront Storm Water Master Plan, tailored to the types of industrial uses that may be approved in the area.

In addition to evaluating current lease proposals, the Port is working with the SWAC and interested community to conduct further development planning for land located upland of the Port's marine terminals, the "Pier 90-94 Backlands". This effort began with the July 2001 completion of a Maritime Industrial Study, produced by a team of maritime, planning and economic consultants to identify maritime market trends and facility needs in the Southern Waterfront. This information is fundamental to determining the degree to which land within the Pier 90-94 Backlands may be available for other uses. The process for identifying

potential other uses will be conducted with the SWAC and other interested community organizations.

Fish Alley Area Planning

The Waterfront Plan left significant planning issues unresolved regarding the future mix of land uses and preservation of the architectural character of the Fish Alley Area in Fisherman's Wharf (Seawall Lots 302 and 303, located north of Jefferson Street between Jones and Hyde Streets). After a two-year community based planning process with the Fisherman's Wharf Waterfront Advisory Group, the Port Commission on October 9, 2001 adopted the following amendments to the Waterfront Plan to preserve the historic character of the Fish Alley Area:

1. Amended the Fisherman's Wharf Waterfront section of the Waterfront Plan to establish use zones within the Fish Alley Area with a hierarchy of acceptable uses that respect both the existing commercial and fishing industry businesses in the area, while reserving most of the Fish Alley Area for fishing industry and related maritime uses.

2. Amended the Waterfront Design & Access element of the Waterfront Plan to establish the Fish Alley Area as an Architectural Character District with design policies and specific design criteria to protect the unique architectural character of the area.

These amendments will help achieve the first Objective of the Waterfront Plan for Fisherman's Wharf: To restore and expand Fisherman's Wharf as a working fishing port. They will also serve to protect and enhance the authenticity and appeal of Fisherman's Wharf to San Franciscan's and visitors.

MAJOR COMMERCIAL DEVELOPMENT, MARITIME, AND OPEN SPACE PROJECTS

Attached are Project Summary Sheets for each of the major commercial development, maritime and open space projects currently being managed by Planning & Development Division staff. Planning & Development's lead staff member for each project is indicated in **bold**. A Project Location map, which is included on the next page, shows the location of each project referenced in this summary. A Summary Schedule, which is attached at the end of this report, shows the basic timeline for each project.

These major commercial development, maritime and open space / public access projects are of two fundamental types:

1. Public / Private Partnership Projects. The Port's Waterfront Land Use Plan identified several Waterfront Mixed Use Opportunity Areas where commercial development is encouraged as a part of mixed use developments which also include maritime, open space and public access uses. Such projects are typically undertaken as public / private partnerships, in which the Port enters into a development agreement and long-term lease with a private developer who is selected through a request for proposals process.

2. Port Projects. In addition to public / private partnership projects in Waterfront Mixed Use Opportunity Areas, the Port undertakes public projects throughout the San Francisco Waterfront. These Port projects involve maritime, open space and public access uses. For large Port projects (such as ferry terminals and the Hyde Street Harbor), the initial planning is typically managed by the Port's Planning & Development Division. After this initial planning is completed and most or all of the regulatory entitlements have been secured, the management for these projects is transitioned to the Port's Engineering & Maintenance Division. Smaller Port projects (such as the Pier 43 Arch restoration) are typically managed throughout by the Port's Engineering and Maintenance Division.

In order to understand the full scope of Port projects currently in process, it is therefore important to review both this status report of Planning & Development projects and the concurrent status report of Engineering & Maintenance projects.

Prepared by: Byron Rhett, Director, Planning & Development

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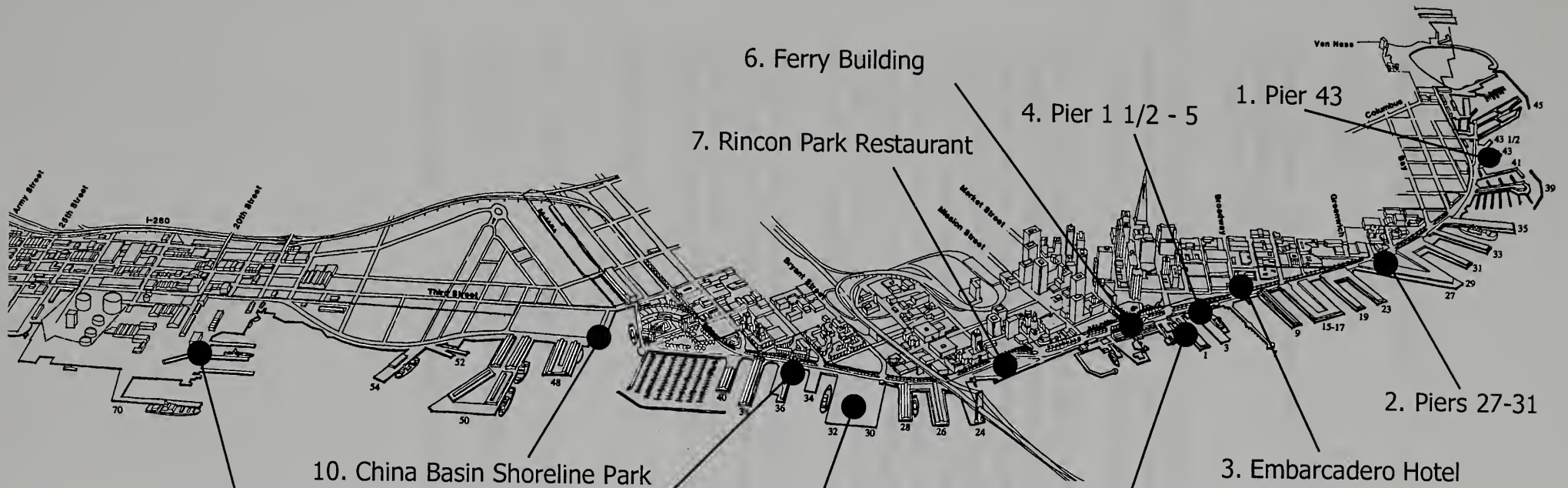
Port of San Francisco

Planning and Development Project Map
October 2001


6. Ferry Building
1. Pier 43
4. Pier 1 1/2 - 5
7. Rincon Park Restaurant
2. Piers 27-31
3. Embarcadero Hotel
10. China Basin Shoreline Park
11. Pier 70 Opportunity Area
9. Brannan Street Wharf
5. Pier 1 Maritime Office Building
8. Bryant Street Pier Project (Pier 30-32/SWL 330)

1. PIER 43 PUBLIC FERRY TERMINAL

TYPE OF PROJECT Port Project

PROJECT STAFF Diane Oshima, Manager, Waterfront Planning
Dan Hodapp, Planner
Denise Turner, Wharfinger

PROJECT DESCRIPTION A ferry terminal will be constructed at Pier 43 to provide a publicly accessible ferry landing in Fisherman's Wharf. The project will include a floating berth, pilings, gangway system, and ramps to connect to Pier 43.

STATUS The City of Vallejo secured $1.6 million in Federal Ferry Boat Funds and $400,000 in California Transportation Commission funds for the project. The Port and the City of Vallejo have negotiated a cooperative agreement through which the City of Vallejo will fund the project, and manage the design and construction of the terminal. The City of Vallejo has hired a design team and, working with Port staff, has developed a preliminary design and 60-percent construction drawings for the terminal. The City of Vallejo is currently completing the environmental review for the project and seeking necessary funds to match the most recent cost estimates.

APPROVALS The Port Commission approved the cooperative agreement with Vallejo, and must approve a landing rights agreement for the facility. Approval must also be received from BCDC, Army Corps of Engineers and the San Francisco Regional Water Quality Control Board (SFRWQCB).

PRIMARY CONSULTANT Moffatt and Nichol Engineers

SCHEDULE

June, 1998	Cooperative Agreement finalized
Fall, 2000	Applied for BCDC and other permits
Summer, 2002	Projected start of construction

2. PIERS 27 – 31 MIXED USE RECREATION PROJECT

TYPE OF PROJECT Public/Private Partnership Project
Chestnut/Lombard Street Piers Mixed Use Opportunity Area

PROJECT STAFF Byron Rhett, Director, Planning & Development Division
Curt Watts, Development Project Coordinator

DEVELOPER **SF Piers 27-31 LLC** (The Mills Corporation, a real estate investment trust)

PROJECT DESCRIPTION Development and operation of a mixed use Recreation Project on Piers 27 – 31, which encompasses approximately 19 acres. This project will create a local and regional destination that provides a wide range of active and passive recreational activities, and will include a large YMCA and other active recreation and marine sports facilities. The project will include offices, recreational-related retail stores, and eating and drinking establishments. It will also provide a public access network through and around Piers 27 – 31, and it will create the Northeast Wharf Plaza at the front of Pier 27.

STATUS An amended RFP was issued in August 2000 and submittals were received in December 2000. On April 18, 2001, the Port Commission awarded The Mills Corporation the opportunity to enter into an exclusive right to negotiate agreement for the development and lease of Piers 27-31 for its proposed mixed use Recreation Project, subject to thirteen conditions requiring a re-design of the original plan of development. The exclusive right to negotiate agreement was executed on June 13, 2001 and an alternate project submittal was delivered to the Port's offices by the developer on September 12, 2001 for future review and discussion.

PROJECT APPROVALS The project requires CEQA review by the Planning Department Major Environmental Analysis, and requires approvals by the Waterfront Design Advisory Committee, Port Commission, BCDC, and the Board of Supervisors, as well as the Army Corps of Engineers and the SFRWQCB.

PRIMARY CONSULTANTS D'AIQ and Michael Willis Architects (architecture); SWA (landscape architects); Carey & Co., Inc. (preservation architects); Kay & Merkle, and Reuben & Alter (legal)

SCHEDULE

April 18, 2001	Port Commission selected The Mills Corporation for exclusive negotiations
June 13, 2001	Exclusive Right to Negotiate agreement executed
October, 2002 – January 2003	Projected start of construction
September, 2004	Projected completion of construction

3. THE EMBARCADERO HOTEL (SWLS 322-1, 323, 324)

TYPE OF PROJECT	Public/Private Partnership Project Broadway Pier Mixed Use Opportunity Area
PROJECT STAFF	Kirk Bennett, Manager, Waterfront Development Projects **Jennifer Sobol, Development Project Coordinator**
DEVELOPER	**Stanford Hospitality, Inc.**
PROJECT DESCRIPTION	Development of a first-class, four-star, full-service hotel consisting of approximately 415 rooms, with restaurants, cocktail lounges, fitness center, meeting rooms, retail shops and underground parking. Site located at Broadway and The Embarcadero contains 2.5 acres, including Seawall Lots (SWLs) 322-1, 323, 324 and a City-owned parcel.
STATUS	Negotiations have been on-going. No brand has been selected yet. The project has been presented to various community groups, the Northeast Waterfront Advisory Group and the Waterfront Design Advisory Committee. The design is still undergoing revision. The Supplemental EIR is underway. The Conditional Use application will be filed in October 2001 with the Planning Department.
APPROVALS	The project requires CEQA review, design review by the Waterfront Design Advisory Committee, a conditional use authorization from the Planning Department, and a Certificate of Appropriateness from the Landmarks Preservation Advisory Board, and requires approvals by the Port Commission and the Board of Supervisors.
PRIMARY CONSULTANTS	Blunk DeMattei Associates (architecture); EIP Associates (environmental review); Real Estate Planning Strategies (entitlements); Sheppard Mullin Richter & Hampton (legal)

SCHEDULE	October, 2001	File Conditional Use Application
	June, 2003	Projected start of construction
	June, 2005	Completion of construction

4. PIERS 1½ - 3 - 5 MIXED USE PRESERVATION PROJECT

TYPE OF PROJECT Public/Private Partnership Project
Ferry Building Mixed Use Opportunity Area

PROJECT STAFF Kirk Bennett, Manager, Waterfront Development Projects
Jennifer Sobol, Development Project Coordinator
Ed Byrne, Engineering Manager

DEVELOPER **San Francisco Waterfront Partners, LLC** (Putnam Waterfront Partners, LLC)

PROJECT DESCRIPTION Development of a Mixed Use Preservation Project involving Piers 1½, 3 and 5 bulkhead buildings, Pier 1½, and a portion of Pier 3. The project includes preservation and rehabilitation of the bulkhead buildings, extensive public access walkways along the water, four food service establishments, new offices on the upper floors, a water taxi landing, guest docks, transient boat berthing and a ticket office/Visitor Center for Hornblower Dining Yachts.

STATUS Negotiations are on-going. The Environmental Evaluation application has been filed with the Planning Department; the developer has undertaken soil and pile tests; the Design Review Board of BCDC has reviewed the project; and the Waterfront Design Advisory Committee has reviewed the schematic designs. An application is being prepared to determine eligibility for placement of the buildings on the National Register of Historic Places.

APPROVALS The project requires CEQA review by the Planning Department, Major Environmental Analysis, and requires approvals by the Waterfront Design Advisory Committee, the Port Commission, BCDC, the Board of Supervisors, the SFRWQCB, and the Army Corps of Engineers.

PRIMARY CONSULTANTS Hannum Associates (architect); Carey& Co. (historic architect); Pacific Affairs Management (environmental); Primus (construction management); Farella Braun & Martel LLP (legal); Holmes Culley (structural engineers)

SCHEDULE

December, 2001	File BCDC Application; File Part I Application with State Historic Preservation Office.
June, 2002	Projected start of construction
December, 2003	Projected completion of construction

5. PIER 1 MARITIME OFFICE BUILDING

TYPE OF PROJECT	Public/Private Partnership Project Ferry Building Mixed Use Opportunity Area
PROJECT STAFF	Kirk Bennett, Manager, Waterfront Development Projects **Jennifer Sobol, Development Project Coordinator** John Zoranovich, Construction Administrator Nic Dempsey, Property Manager
DEVELOPER	**AMB Property Corporation**
PROJECT DESCRIPTION	Pier 1 has been converted from a parking garage to 150,000 square feet of Class-A office space. It houses the Port's new administrative offices, AMB's headquarters, other office tenants and the Pier 1 Deli. Nearly one acre of new public access extends around the pier perimeter. The Port's Bayside Conference Rooms are available to the public after hours for meetings and events.
STATUS	Construction will be completed this month. An Exhibits Design consultant is assisting Port staff in preparing the Port Story, a wall of photographs and exhibits along the Bayside History Walk The pier is fully leased. Pier 1 was the co-winner of the San Francisco Business Times' "Best Bay Area Rehab/Renovation Project of 2000". This month the Urban Land Institute awarded Pier 1 its 2001 Award for Excellence - Rehabilitation Category. This Awards for Excellence program is the real estate community's most prestigious award and honors outstanding development projects throughout the world.
APPROVALS	All necessary regulatory approvals were obtained prior to starting construction
PRIMARY CONSULTANTS	Simon Martin-Vegue Winkelstein Moris (Pier 1 architect); Tom + Aguila (Port architects); Nibbi Brothers (general contractor)

SCHEDULE	December, 2000	AMB moved into Pier 1
	February, 2001	Port moved into Pier 1
	October, 2001	Completion of construction

7. RINCON PARK RESTAURANT

TYPE OF PROJECT Public/Private Partnership Project
Rincon Point/South Beach Redevelopment Plan Area

PROJECT STAFF Byron Rhett, Director, Planning & Development
Kari Kilstrom, Development Project Coordinator
Leo Bragagnolo, Engineering Project Manager
Mark Lozovoy, Real Estate

DEVELOPER **Rincon Park Restaurants, LLC**

PROJECT DESCRIPTION The 20,000 square foot site is located at the south end of the approximately 2-acre Rincon Park which will stretch along The Embarcadero between Howard and Harrison Streets. The park and restaurant site is within the Rincon Point/South Beach Redevelopment Plan Project Area. The park site has been leased to the SF Redevelopment Agency for a 65-year term and is currently under construction, with completion expected in summer of 2002.

STATUS On July 25, 2000, the Port Commission approved the Development Agreement (including the Ground Lease) and approved the Schematic Drawings for the Restaurant Site, and on October 19, 2000, the Board of Supervisors approved the Lease. As a result of delays in project financing, the Port and developer are currently revising the schedule for the project, including performance benchmarks for delivery to the Port of various elements of the financing plan and design and construction documents.

APPROVALS The project will require a permit from BCDC and a Building Permit from the Port.

SCHEDULE

March 2002	BCDC Permit Application
August 2003	Projected start of construction

8. BRYANT STREET PIER PROJECT (PIER 30-32/SWL 330)

TYPE OF PROJECT
Public/Private Partnership Project
Bryant Street Pier Mixed Use Opportunity Area

PROJECT STAFF
Kirk Bennett, Manager, Waterfront Development Projects
John Doll, Development Project Coordinator
Leo Bragagnolo, Engineering
Gerry Roybal, Mike Nerney, Maritime
Jay Ach, Environmental

DEVELOPER
San Francisco Cruise Terminal LLC – "SFCT" (Lend Lease Development, PSA (USA) Inc., Chinese Maritime Transport Ltd., and Whitney Cressman LLC)

PROJECT DESCRIPTION
In June 1999, the Port issued an RFQ/P to design and develop the Bryant Street Pier Project, including the James R. Herman International Cruise Terminal, on the approximately 13-acre Pier 30-32 and 3-acre Seawall Lot 330. The Project will serve as the focal point for maritime, commercial and public activity between the Pacific Bell Ballpark and downtown. Acceptable uses for the mixed-use component include, but are not limited to, retail, office, entertainment, hotel, residential, public access and open space.

STATUS
Since the Port Commission on January 11, 2000 approved entering into exclusive negotiations with SFCT, the Developer has conducted a series of market and due diligence studies, and the Port and the Developer have conducted a series of outreach meetings to numerous community, regulatory and user groups to receive their input as the design of the project evolves. On September 14, 2001, the State Legislature approved AB1389, which determined that, subject to certain conditions, the proposed office and retail components of the project are consistent with the public trust. On October 4, 2001, the Governor signed AB 1389 into law.

APPROVALS
The project still requires CEQA review by the Planning Department Major Environmental Analysis, and requires approval from the Waterfront Design Advisory Committee, Port Commission, BCDC, the Board of Supervisors, the Army Corps of Engineers, and the SFRWQCB.

SCHEDULE

January 2000	Port Commission selection of developer for exclusive negotiations
November, 2001	Publish Draft Supplemental EIR
September, 2002	Project Approvals expected
May, 2003	Projected commencement of construction
June, 2005	Projected completion of construction

6. FERRY BUILDING

TYPE OF PROJECT	Public/Private Partnership Project Ferry Building Mixed Use Opportunity Area
PROJECT STAFF	Kirk Bennett, Manager, Waterfront Development Projects **Curt Watts, Development Project Coordinator** John Zoranovich, Construction Administrator (Port Commission Room)
DEVELOPER	**Ferry Building Investors, LLC** (Wilson/Equity Office, Wilson Meany LLC, Primus Infrastructure and Real Estate Company, LLC)
PROJECT DESCRIPTION	Redevelopment of this National Register and City Landmark building that will recreate the historic Nave Bay the length of the building and will restore the historic facades. The project will include a ground floor marketplace, including retail food shops, restaurants, transportation and public uses, totaling approximately 100,000 sq. ft. The two upper floors will include office uses, the Port Commission Meeting Room, and circulation areas, totaling approximately 170,000 sq. ft.
STATUS	Under construction. Historic Preservation Certification Application for tax credits has received initial approvals.
APPROVALS	The project has received all necessary regulatory approvals.
PRIMARY CONSULTANTS	SMWM (architect), Page & Turnbull (preservation architect), Baldauf Cotton Von Eckartsberg (retail architect), Plant Construction (general contractor)

SCHEDULE	March 2001	Lease conveyed
	April 2001	Commencement of construction
	September 2002	Projected completion of construction

9. BRANNAN STREET WHARF

TYPE OF PROJECT Port Project

PROJECT STAFF Diane Oshima, Manager, Waterfront Planning
Dan Hodapp, Planner
Anne Cook, Manager, Waterfront Development Projects

PROJECT DESCRIPTION Brannan Street Wharf is a new open space identified in the Port's Waterfront Design & Access element and the recently adopted BCDC Special Area Plan. It will be a bayfront urban park to serve the neighborhood and the entire region, located on The Embarcadero between Piers 30-32 and 38. It will replace Piers 34 and 36. The scope of this project is to prepare a concept design plan for the Brannan Street Wharf. The park will likely include opportunities to walk out over the water, quiet spaces to enjoy spectacular views, and facilities for regional events.

The Board of the California Coastal Conservancy authorized a grant for $100,000 to the Port of San Francisco to develop a design plan for Brannan Street Wharf. On April 17, 2001, the Port Commission approved a contract with Economics Research Associates and Sasaki Associates as part of a consultant team to assist staff in conducting a public design process for the park.

STATUS Citizen Advisory Committee meetings and public workshops began in July and will continue until about January, 2002. The next public meeting will be held on October 30th to review six potential design alternatives and select three to be studied further. In preparation for the development of the Brannan Street Wharf, Pier 34 was demolished in July, 2001.

PROJECT APPROVALS The project will be presented to the Port Commission for consideration of approval and will require permits from BCDC, the SFRWQCB, and the Army Corp of Engineers.

SCHEDULE

July 2001	Pier 34 demolished
July 2001	Public design process began
Winter 2002	Projected completion of concept design

10. China Basin Shoreline Park

Type of Project	Shoreline Stabilization - Port Project Park Improvements – Public/private partnership
Project Staff	Diane Oshima, Manager, Waterfront Planning **Dan Hodapp, Planner**
Developer	China Basin Ballpark Company (San Francisco Giants)
Project Description	As part of the construction of the Pacific Bell Ballpark the China Basin Ballpark Company (CBBC) will be improving as a public park an area east of Third Street between the south edge of China Basin Channel and Terry Francois Boulevard. Port staff has worked with CBBC in developing a concept design and reviewing it publicly with neighborhood organizations. The Port's Engineering Division completed a Shoreline Stabilization project in June, 2001 creating a permanent rip-rap edge that will support a park area above.
Status	The concept design was recently completed and construction drawings are now being prepared. A portion of the park overlies the former "H&H storage tank facility". The Department of Toxic Substance Control (DTSC) must review and approve a closure plan prior to the start of construction. The Port is assisting CBBC with its efforts to obtain the necessary permit. Construction is expected to begin in the Winter of 2002.
Project Approvals	Environmental Review was certified and a BCDC permit was approved as part of the Pacific Bell Ballpark. BCDC's Design Review Board and the Port's design review consultants have reviewed the project design.
Primary Consultants	Pat O'Brien, Landscape Architects

Schedule		
	Nov 2001 - Feb 2002	Construction document preparation
	February 2002	Projected start of construction
	June 2002	Projected completion of construction

11. PIER 70 OPPORTUNITY AREA (PIERS 66-68/SWL 345, 349)

TYPE OF PROJECT

Public/Private Partnership Project
Pier 70 Mixed Use Opportunity Area

PROJECT STAFF

Byron Rhett, Director, Planning & Development
Kari Kilstrom, Development Projects Coordinator
Lynda Swanson, Development Project Coordinator
Marc Paez, Planner
Mark Lozovoy, Asst. Deputy Director, Real Estate

PROJECT DESCRIPTION

The Waterfront Land Use Plan identifies an approximately 14-acre Mixed Use Opportunity Area in the vicinity of Pier 70, between 18th and 21st streets. Several of the historic Union Iron Works/Bethlehem Steel buildings are included within this Opportunity Area. The Waterfront Plan allows non-maritime land uses in this area which result in the preservation and adaptive reuse of the historic buildings, provided they are consistent with the Waterfront Plan and do not adversely impact nearby water-dependent uses or associated support services. New construction will be permitted provided that public access improvements are extended to the water's edge as indicated in the Waterfront Plan, and other Waterfront Plan criteria are met, including the preservation and adaptive reuse of historic buildings.

STATUS

Two proposals were received on June 26, 2001. AMB Property Corporation (AMB) proposed a mixed-use project that included a non—profit arts component. The San Francisco Arts Future Consortium (SFAFC) proposed a stand-alone non-profit arts center. On August 22, 20021, the Port Commission authorized to enter into an Exclusive Right to Negotiate Agreement (ERN) with AMB for the development and lease of the mixed-use project and with SFAFC for development and lease of the non-profit arts project.

The Commission required several conditions to be incorporated into the ERNs, based on the staff evaluation and public comment. These included working cooperatively during the first 90 days of the negotiations to create a comprehensive site plan for the entire Pier 70 Opportunity Area, submitting an updated financial proposal, completing a preliminary parking plan, proposing approximate heights of any new buildings, and locating important view corridors and open space elements within the area. The Commission shall review the results of the planning process and determine the terms under which the Port may proceed with exclusive negotiations.

APPROVALS

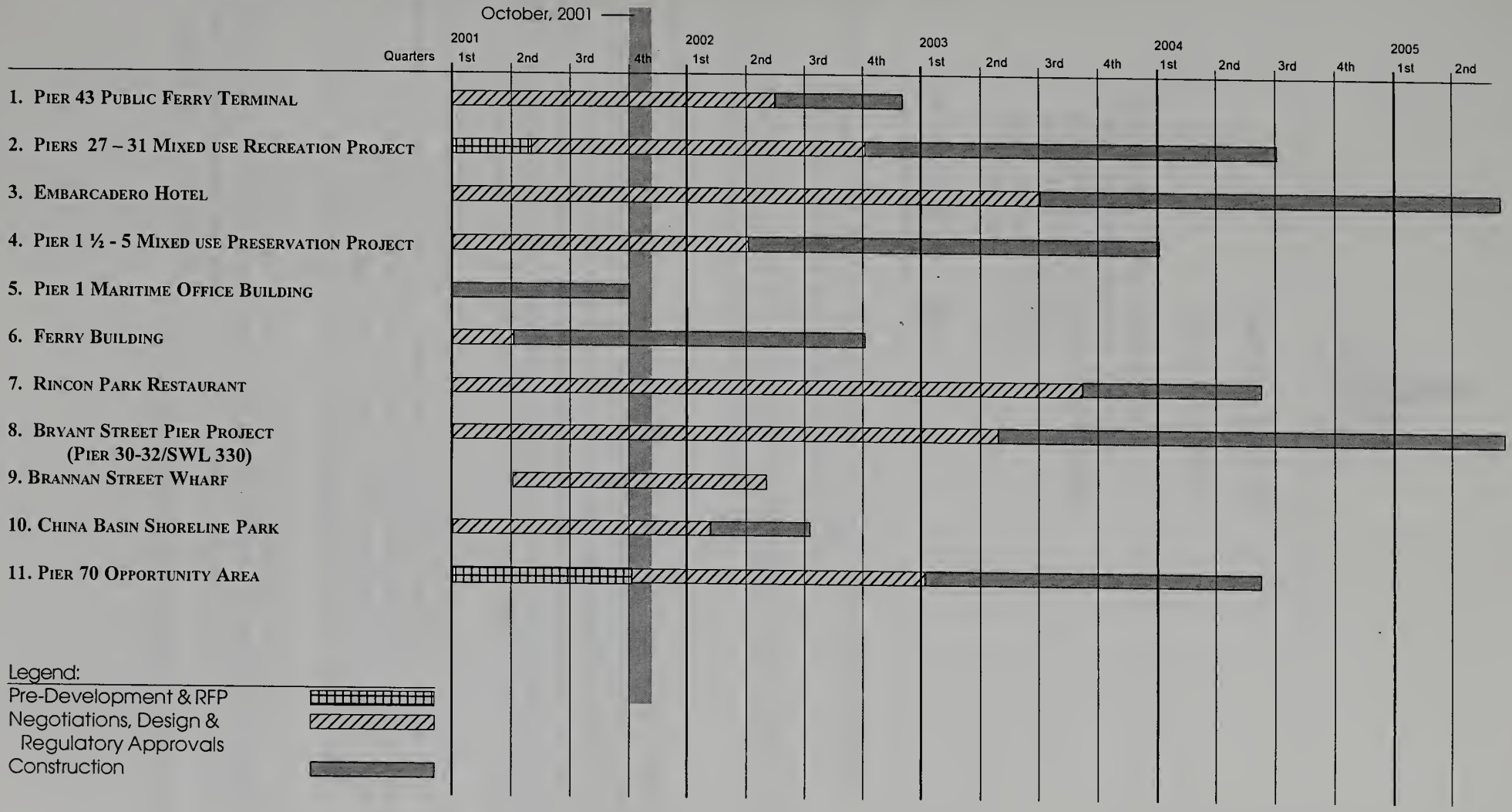
The projects require CEQA review by the Planning Department Major Environmental Analysis, and approvals from the Waterfront Design Advisory Committee, the Port Commission, BCDC and Board of

Supervisors, and perhaps the SFRWQCB and the Army Corps of Engineers.

SCHEDULE

August 28, 2001	Approval by the Port Commission to enter an Exclusive Right to Negotiate with AMB Property Corporation for a Mixed-Use Project and with the SFAFC for a Non-Profit Arts Project.
October, 2001	Enter into ERNs with AMB and SFAFC
February, 2002	Review by the Commission of the results of a 90-day site planning process
January, 2003	Conveyance of Lease/Commencement of Construction on Mixed-Use Project
August, 2003	Conveyance of Lease/Commencement of Construction on Arts Project

Planning & Development Project Schedules



PORT OF SAN FRANCISCO

MEMORANDUM

October 18, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Extension of Exclusive Negotiations for Embarcadero Hotel Project at Broadway on Seawall Lots 323, 324 and 322-1

DIRECTOR'S RECOMMENDATION: APPROVE EXTENSION OF EXCLUSIVE RIGHT TO NEGOTIATE WITH STANFORD HOSPITALITY, INC.

BACKGROUND

In November 1998, the Port issued a Request for Qualifications and Proposals ("RFQ/P") for the lease, development and operation of a first-class, full-service hotel on Seawall Lots 323, 324 and 322-1 and a City-owned parcel at the corner of Broadway and The Embarcadero (See Exhibit A attached hereto). Three respondents submitted qualifications. In March 1999 the Port Commission invited two respondents to submit proposals for the hotel by May 18, 1999. Stanford Hospitality, Inc. ("Stanford") was the only respondent to submit a proposal.

On August 10, 1999, by Resolution No. 99-62, the Port Commission authorized Exclusive Negotiations with Stanford, and a negotiating fee of $100,000 was paid to the Port. On November 8, 1999 Stanford and the Port executed an Exclusive Right to Negotiate agreement for the initial period of November 8, 1999 to May 7, 2000, with two six-month extension options. Stanford exercised the two options, extending the agreement to May 7, 2001.

On April 12, 2001, by Resolution No. 01-29, the Port Commission authorized an extension of the Exclusive Right to Negotiate agreement, and the agreement will expire on November 7, 2001. Stanford paid extension fees of $100,000 for the initial period and $50,000 for the latest six-month extension period.

THIS PRINT COVERS CALENDAR ITEM NO. **11B**

BENEFITS OF THE HOTEL PROJECT

The hotel will bring many public and financial benefits to the Port and to the City, including the following:

- It will attract people to the waterfront and create a gateway to the Chinatown and North Beach neighborhoods
- It is a Public Trust use and one of the only sites on Port property where a full-service hotel is allowed and feasible
- It will provide community meeting space for residents
- It will provide parking for visitors to the waterfront
- It will create jobs
- It will provide incremental rental revenue to the Port enabling the Port to carry out its Public Trust mission as an enterprise agency
- It will provide hotel taxes to fund arts and neighborhood organizations
- It will provide approximately $300,000 in revenue to support childcare through development exaction fees
- It will provide approximately $3 million for the affordable housing fund through development exaction fees

ACCOMPLISHMENTS DURING EXCLUSIVE NEGOTIATION PERIOD

During the period of exclusive negotiations to date, Stanford has developed many schematic design plans and undertaken numerous revisions of these plans in response to community concerns and comments by the *Waterfront Design Advisory Committee ("WDAC")*. Stanford has made presentations of the project to the *Northeast Waterfront Advisory Group*, to several community groups, to neighbors, to the *WDAC* and to the Port Commission. It has retained environmental, legal and regulatory consultants to shepherd the project through the regulatory process, and it has made significant progress in the negotiations with Port staff of the Disposition and Development Agreement and the Lease. It has initiated negotiations with hotel franchisers and potential restaurant and retail tenants and has made initial contact with H.E.R.E. Local 2. It has timely filed status reports and development timelines, filed its application for environmental review with the Planning Department and paid for environmental studies required by the Supplemental Environmental Impact Report.

Under the current extension, Stanford was required to meet certain performance benchmarks. Stanford accomplished all but three of these benchmarks, and those three were not completed for reasons outside of Stanford's control. First, the schematic plans and elevations could not be finalized because the design guidelines are still being studied and discussed by the members of the *Waterfront Design Advisory Committee.* This is the advisory group of design professionals that makes design recommendations to the Port Commission and the Planning Commission. The design advisors are still discussing height and massing issues at the project site, and until direction is given to the developer, final design plans cannot be made. Second, the Supplemental Environmental Impact Report ("SEIR") has not been published yet because all of the parties (the Planning Department, the Port and Stanford) felt that additional studies and analysis were needed in order to prepare an adequate and responsive SEIR.

Third, the applications for conditional use authorization and certificate of appropriateness were not filed because complete applications require finalization of the design plans.

During the next extension period, Stanford will be required to accomplish these and other benchmarks, such benchmarks to be determined by Port staff in order to ensure completion of project documentation necessary for final public review and action. Benchmarks will include submittal of bi-monthly status reports; regular updating of the project schedule; continuation of negotiations with H.E.R.E. Local 2; preparation of final schematic drawings, floor plans and elevations; submittal of conditional use and certificate of appropriateness applications to the San Francisco Planning Department; and publication and certification of the SEIR.

STAFF RECOMMENDATION

Stanford and Port staff request an extension of the Exclusive Right to Negotiate agreement to October 31, 2002 in order to provide sufficient time for Stanford to obtain the required regulatory approvals for this very complex project. It is very possible that additional time will be required beyond that date in order to obtain all of the required approvals from the Port Commission, the Planning Commission and the Board of Supervisors. Because of the many benefits of the hotel, and because of the complexity of the Project, staff recommends that the Port extend the period for exclusive negotiations to October 31, 2002.

Port staff further recommends that the fee for the next extension period be $25,000 and that the fee be credited towards rent that may become due from Stanford in the future if a Lease is executed between the parties. Finally, staff recommends that the agreement for the next extension period provide that, prior to October 31, 2002, Stanford may request a further extension of time if needed in order to obtain the rest of the approvals, and if the Port Commission determines, in its sole and absolute discretion, that the performance benchmarks have been met, then the Commission may grant the extension request.

Prepared by: Jennifer Sobol
Development Project Coordinator

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-80

WHEREAS, Charter, Section B3.581grants the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, the Port owns certain properties known as Seawall Lots 323, 324 and 322-1; and

WHEREAS, in November 1998, the Port issued a Request for Qualifications and Proposals for the lease, development and operation of a full-service, first-class hotel on these Seawall Lots; and

WHEREAS, Stanford Hospitality, Inc. submitted a response to the RFQ/P on May 18, 1999 which complied with the submittal requirements stated in the RFQ/P and which was reviewed and evaluated by Port staff; and

WHEREAS, based on this review, Port Staff recommended that the Port Commission enter into exclusive negotiations with Stanford Hospitality, Inc.; and

WHEREAS, The Port Commission reviewed the Port staff recommendation set forth in the Memorandum to Port Commissioners dated August 4, 1999, for Agenda Item 8A, and determined that Stanford Hospitality, Inc. met the qualification requirements for the hotel development; and

WHEREAS, based on this review, the Port Commission authorized exclusive negotiations with Stanford Hospitality, Inc. on August 10, 1999; and

WHEREAS, the Port and Stanford Hospitality, Inc. executed an Exclusive Right to Negotiate agreement on November 8, 1999 for a period of six months, with two six-month extension options; and

WHEREAS, Stanford Hospitality, Inc. exercised both extension option periods extending the agreement to May 7, 2001; and

WHEREAS, on April 12, 2001, the Port Commission authorized the Executive Director of the Port to enter into an amendment to the Exclusive Right to Negotiatc agreement on the general terms set forth in the April 12, 2001 Memorandum to the Port Commission, including extension of the exclusive negotiating period to November 7, 2001, performance of certain benchmarks by that datc, and

payment of a negotiating fee of $50,000, and authorization for Stanford to request a further extension if the Port Commission determined, in its sole and absolute discretion, that the performance benchmarks had been met; and

WHEREAS, the Port and Stanford Hospitality, Inc. executed a First Amendment to Exclusive Right to Negotiate agreement on May 7, 2001 for a period of six months, with a term expiring on November 7, 2001; and

WHEREAS, the Port Commission finds that Stanford Hospitality, Inc. has satisfactorily performed all but three of the performance benchmarks, and that said benchmarks were not completed due to circumstances beyond Stanford's control, as set forth in the Memorandum to Port Commissioners dated October 18, 2001, for Agenda Item 11B; now therefore, be it

RESOLVED, that the Port Commission hereby authorizes the Executive Director of the Port to enter into a Second Amendment to the Exclusive Right to Negotiate agreement on the general terms set forth in the October 18, 2001 Memorandum to the Port Commission, including:

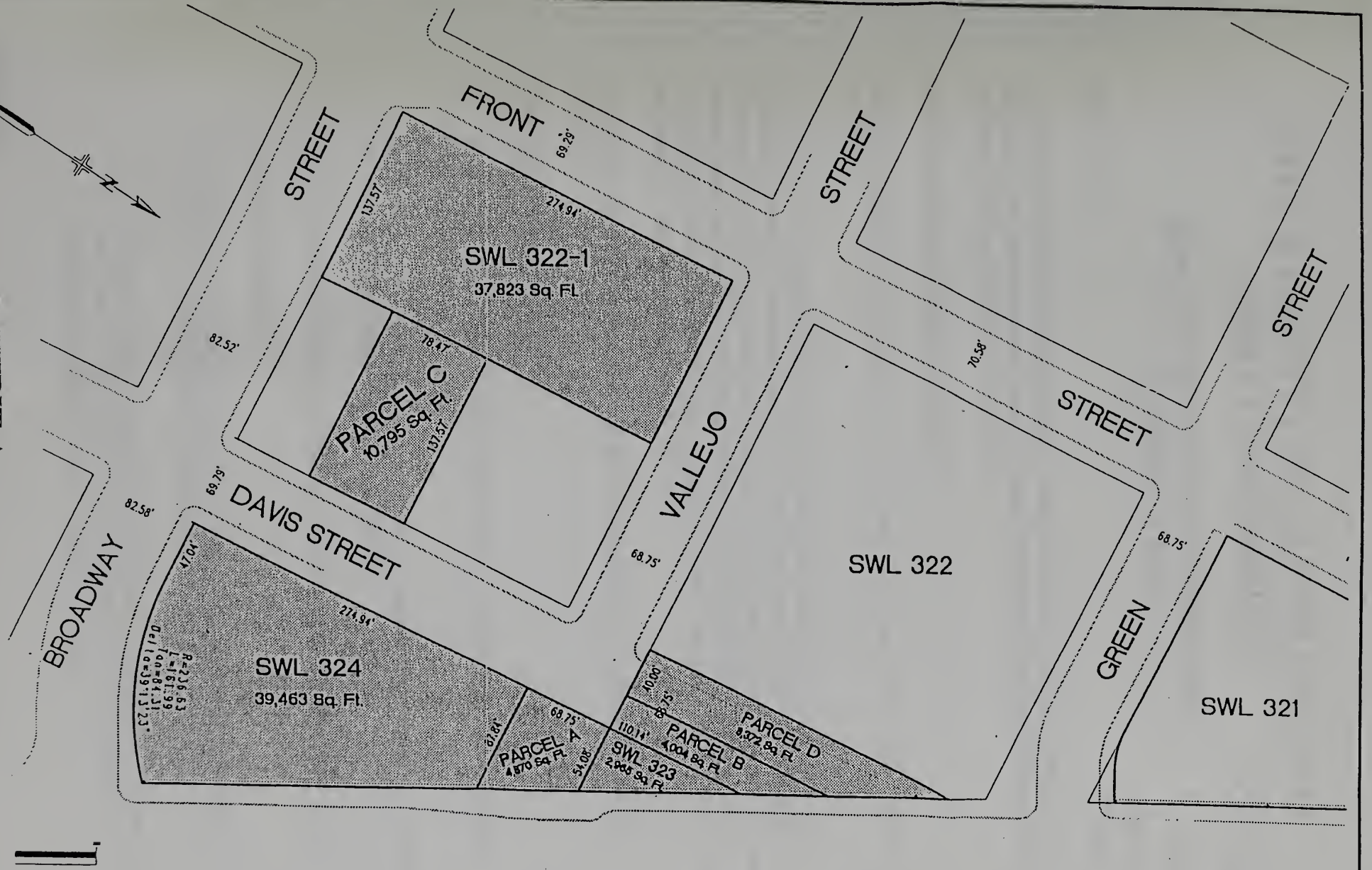
a) extension of the exclusive negotiating period to October 31, 2002;
b) certain performance benchmarks must be accomplished on or before October 31, 2002;
c) payment of a negotiating fee of $25,000 by November 7, 2001;
d) Prior to October 31, 2002 Stanford may request a further extension of time if needed in order to obtain the rest of the regulatory approvals, and if the Port Commission determines, in its sole and absolute discretion, that the performance benchmarks have been met, then the Commission may grant the extension request; and, be it further

RESOLVED, that the Port will not enter into a final lease for the project which would allow for its development until there has been complete compliance with the California Environmental Quality Act (CEQA).

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 23, 2001.

_____
Secretary

EXHIBIT A



THE EMBARCADERO

REFERENCE INFORMATION & FILE NO. OF SURVEYS	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING	APPROVED BY SAN FRANCISCO PORT COMMISSION DATE _____ CHIEF HARBOR ENGINEER	BROADWAY - EMBARCADERO HOTEL DEVELOPMENT SITE FIGURE 1 -- SITE PLAN	DESIGNED BY: J. SOBOL DRAWN BY: AMN CONTRACT NO. CONTRACT DRAWING NO. CHECKED BY: ____ DATE: 20 OCT 98 SCALE: 1" = 80' SHEET NO.

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CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

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MINUTES OF THE REGULAR MEETING
OCTOBER 23, 2001

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:05 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, Michael Hardeman, and Pius Lee.

2. NEW BUSINESS/PUBLIC COMMENT

Nan Roth requested the Commission for an extension of time to review the Pier 27-31 proposal.

Commissioner Lee indicated that in the Mayor's State of the City Address, the Mayor spoke about reducing overtime expenses. He became aware that staff attending the Commission meetings are being paid overtime. He suggested that the department managers should attend the meetings and present their reports instead of staff to cut down on overtime expenses. He suggested that perhaps the executive session should be heard at the beginning of the meeting instead of at the end.

Commissioner Brandon indicated that the Commission could request the Executive Director

3. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 4:10 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (DISCUSSION ITEMS):

a. Discuss existing litigation matters pursuant to subdivisions (a) and (d) of the California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (2 cases).

- As Plaintiff: CCSF v. Commonwealth Ins. Co. , et al., Santa Clara Superior Court Case No. CV 794046. Action filed October 22, 1999.
- As Defendant: Lolman Enterprises, Inc. et al. v. City and County of San Francisco, et al., City & County of San Francisco Superior Court Case No. 325033.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*MTC: Jim Wiltshire

b. Property: Pier 23
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 23 Café: Flicka McGurrin

c. Property: Pier 7
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Waterfront Restaurant: Al Falchi

d. Property: Pier 30/32 and SWL 330
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

e. Property: Pier 70, 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

4. RECONVENE IN OPEN SESSION

At 5:35 p.m., the Commission returned from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

5. APPROVAL OF MINUTES - October 9, 2001 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; the minutes of the October 9, 2001 meeting were adopted.

6. EXECUTIVE

A. Executive Director's Report: None

7. CONSENT CALENDAR

A. Request for approval of a Memorandum of Understanding (MOU) with the San Francisco Public Utilities Commission for public access improvements within Port jurisdiction at Islais Creek. (Resolution No. 01-79)

B. Request for approval of a Memorandum of Understanding (MOU) for PUC to own and maintain a new 12" ductile iron water main in Terry Francois Boulevard constructed under Port Contract No. 2648. (Resolution No. 01-81)

ACTION: Commissioner Hardeman moved approval; Commissioner Leeseconded the motion. All of the Commissioners were in favor. Resolution Nos. 01-79 and 01-81 were adopted.

8. OPERATIONS

A. Informational briefing on Operations Division Status Report.

Karen Clopton, Chief of Operations, presented the item.

9. MARITIME

A. Request for approval of Second Amendment to the Non-Exclusive Management Agreement with Marine Terminal Corporation for Pier 80. (Resolution No. 01-82)

Peter Dailey, Director of Maritime, presented the item and requested Commission's approval.

Commissioner Brandon asked for a quarterly report on this project.

ACTION: Commissioner McCarthy moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor. Resolution No. 01-82 was adopted.

10. ENGINEERING & MAINTENANCE

A. Informational briefing on status of Engineering & Maintenance Projects.

Alex Lee, Director of Engineering & Maintenance, presented the item.

11. PLANNING & DEVELOPMENT

A. Informational briefing on status of Planning & Development Projects.

Byron Rhett, Director of Planning & Development, presented the item.

Diane Oshima, Planning & Development

Waterfront Plan Colored Map

- Represents WLUP designations
- Identifies new public access opportunities

Current Leases (Refer to Lemont's Map)

- Approach to leasing: maritime and maritime industrial throughout Pier 80, in ICTF, and in band along water's edge in Pier 90-96 area (except Pier 94 wetlands); uplands Pier 90-94 backlands was called out for further study on whether non-maritime uses could be developed

Proposed Approach to Backlands Planning Process

- Maritime Commerce and Industry Study
- Community workshops to identify desirable use options, including eco-industrial
- Analyze site and infrastructure improvement needs
- Analyze land use, real estate feasibility, including public trust implications, and community benefit opportunities

Relationship with other Plans

- IPZ
- Sophie's NC-3
- Better Neighborhoods – Central Waterfront
- BVHP Concept Plan
- Coordination with PAC
- Coordination with Redevelopment Agency and Supervisor Maxwell
- BCDC Seaport Plan

Environmental Management

- Treadwell & Rollo/ Fall Creek – Stormwater planning
- Diesel Emission Reductions

B. Request for approval of extension of Exclusive Negotiations for the Embarcadero Hotel Project at Broadway on Seawall Lots 323, 324 and 322-1. (Resolution No. 01-80)

Jennifer Sobol, Planning & Development, presented the item and requested Commission's approval.

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion.

Jennifer Sobol explained the RFP issued certain set of guidelines which conflicted with what the community concerns were and what the community wanted to see and conflicted with the WDAC advisors were recommending. None of the issues were resolved. The Planning Department, as a representative on the WDAC, decided it was time to look at the Embarcadero as a fresh new look, it is a new urban boulevard. That discussion happened today.

Commissioner Lee indicated that Ms. Sobol explained that some of the delay is beyond the control of the developer. They are doing well now to meet the benchmarks. In the City, there will be a lot of delays. One year extension is reasonable and he would support the extension. As far as the $25,000 extension fee is concerned, it will be credited back to the rent. This will send message to the developer to meet all the requirements in a timely manner.

ACTION: Commissioner McWilliams moved approval to amend the motion on the floor to approve a 6-month extension exclusive right to negotiate instead of one year and not waive the $25,000 extension fee; Commissioner Hardeman seconded the motion. The motion did not pass.

Commissioner McWilliams indicated that it was his understanding that in six months, there will be some final design plans to look at. The Commission will know what the intent of the project is. It would be a good time to revisit the project.

Commissioner Brandon commented that the environmental process is going to take longer than six months. If the developer starts that process now and in six months, the Commission does not like the design, it would be unfair to the developer. The developer needs enough time to complete that process.

Jennifer Sobol indicated that staff and the developer was planning on doing an informational presentation regarding the design plan after it is approved by the WDAC. It was intended to be one of the steps in this process.

Commissioner McCarthy asked about the EIR process. Ms. Sobol replied that the EIR has to be certified by the Planning Department before it is brought to the Port Commission for approval of the development agreement.

Commissioner McCarthy indicated that the Commission will not be unreasonable if they come forward with a design that is approved by everyone in the community, this project would go forward.

Jennifer Sobol indicated that the design would be going before the WDAC for approval. The CU application will be in process. She's not sure where will be on the Landmarks Preservation Board; they will have to approve it also. The Commission will not take any action on the design until the development agreement and schematic plan after the certification of the EIR. Staff is planning on making an informational presentation to the Commission and to the community groups. The developer is anxious now that they have gotten direction from the WDAC to go forward. They hope to present their design in December.

Commissioner McCarthy indicated that this would be a more formal benchmark because we would then in a position to get the rest of it done.

Commissioner Lee asked if it would be possible if the developer comes back in six months and they would automatically get another six-month extension while they are waiting for the EIR. They can come in six months with the design; if they do, they automatically can get the extension until October 31, 2002.

Jennifer Sobol offered that staff will come back when the developer is finished the design. If they finalize the design, the Commission will grant the extension to October 31, 2002 so they have some assurance that they can go forward. There will be a six-month option if they have gotten design approval from WDAC, the Commission will grant the extension so they can continue with the other approvals.

Commissioner Brandon commented that the Commission has not required a community group to approve a design and based our approval upon that. Jennifer Sobol indicated that WDAC is the official design group.

Commissioner McWilliams indicated that the completion of the EIR is not going to ensure that we are going to approve the process.

Commissioner Brandon indicated that if they are invested in the EIR and in six months, the Commission does not like the design, that's not being fair to them.

Legal Counsel Noreen Ambrose pointed out the WDAC is a public advisory body and accordingly, they will not be able to take a final position in the design unless they have at least a completed draft EIR in front of them.

ACTION: Commissioner McCarthy moved approval to amend the motion on the floor to approve a 9-month extension of the exclusive right to negotiate instead of one year and not waive the extension fee; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor. Resolution No. 01-80 was adopted.

Commissioner Hardeman moved approval to return to executive session; Commissioner Lee seconded the motion.

At 7:05 p.m., the Commission returned into executive session to discuss the remaining executive session items.

At 8:15 p.m., the Commission returned from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 8:15 p.m.